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GOVT PUBNS

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES
(YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN
THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY
AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION
OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND
FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC
ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD

K.M. LYSYK, Esq., Q.C.

CHAIRMAN

WILLARD PHELPS, Esq.

MEMBER

MRS EDITH BOHMER

MEMBER

PROCEEDINGS

VOLUME 5

CANADIAN ARCTIC
GAS STUDY LTD.

MAY 30 1977

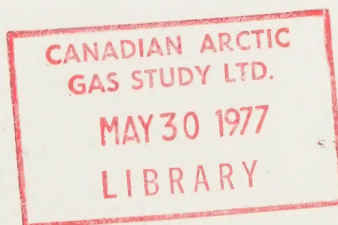
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WHITEHORSE, Y.T.

MAY 17, 1977

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Vol. 5

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1 Whitehorse, Y.T.

2 May 17th, 1977.

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

4 MR. GOUDGE: Mr. Chairman,
5 members of the Board, perhaps we could reconvene and con-
6 tinue the cross-examination of Mr. Templeton and his
7 colleagues.

8 I.K. FOX: Resumed

9 W.W. MAIR: Resumed

10 J.G. NELSON: Resumed

11 C. TEMPLETON: Resumed

12 R. ENGLAND: Resumed

13 MR. GOUDGE: Mr. Morrison for
14 the Chamber of Commerce, has brought a note to explain his
15 absence last night and he would lead off with questions.
16 CROSS-EXAMINATION BY MR. MORRISON:

17 Q Panel, my name is David
18 Morrison and I'm with Whitehorse Chamber of Commerce. I'm
19 not a lawyer, so we'll start with that.

20 I think in that context, I hope
21 you'll understand my remarks, this is not an adversary
22 approach. A lot of this material I would like clarified.
23 Your qualifications are all very well laid out earlier on
24 but some of it I would still like clarified and some it I
25 still don't believe.

26 So, to begin the whole -- and I

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1 have quite a few questions if you'll bear with me -- to
2 begin the whole thing, I would like to know when you began
3 this study and how much time you spent in the North com-
4 piling this information.

5 MR. TEMPLETON: We started last
6 August.

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1 Q Last August?

2 Mr. Templeton, if I can just
3 address the questions to you and you can pass them on to
4 your colleagues.

5 A Yes.

6 Q In the index of your
7 summary evidence you prepared yesterday, I was curious as
8 to how you developed your criteria for choosing the subjects
9 which you did address and the subjects which you did not
10 address.

11 Is there any reason or were these
12 just randomly chosen -- you just --

13 A I think they were ones we
14 felt we could get the information to do rather than -- we
15 felt they should all be done, but we just couldn't do
16 them -- we couldn't get either the information or didn't
17 have the time. It may have been -- some of them are very
18 difficult to get. For example, education.

19 Q Yes, thank you.

20 I'm also very interested in state-
21 ments very early on in your presentation about a comparison
22 assessment of Mackenzie Valley versus the Alcan or the
23 Alaska Highway Route?

24 A Yes.

25 Q Will we be seeing this as
26 a completed document prior to the completion or -- let's

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1 say the September 1st deadline that the Government of
2 Canada has set out for a pipeline decision?

3 A Yes, this will be hopefully
4 early in June and -- but it's only the part in the --
5 between the Alaskan border and 60, both routes, as best
6 we can with the information.

7
8 Again, like this volume, there are some things
9 that are very difficult to measure.

10 Q Yes.

11 On Page 3 of the prepared evidence
12 that was given yesterday, there was another interesting
13 statement in your -- in the outline you make of the goals
14 which you have set, yourselves as a panel, have set for your
15 yourselves.

16 You note that you -- and if I can
17 paraphrase it -- to achieve this goal, the panel will and
18 one of these "wills" is advise against construction of a gas
19 pipeline, should the panel decide that mitigative and con-
20 trol measures will not achieve the primary goal. What I
21 am interested in is that you also don't have in here that
22 you might advise for a pipeline. You may recommend the
23 construction of a pipeline.

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12 I don't think it's up to us to say
13 you should build a pipeline based on environmental matters.

14 Q Oh, I see now, yes,
15 thank you. Following along, I think you'll find pretty well
16 all these questions follow up. I'm trying to go in an order
17 of some kind to keep it--The, your evidence yesterday and
18 throughout both your completed study and your summary, it
19 seems there's a prevalence of a statement of lack of data
20 regarding the human environment question, which, you know,
21 we all quite--you know, we appreciate that. There is quite
22 a lack of data but, in, I believe it's early on, in and around
23 page 6, actually the bottom of page 6, you've mentioned lack
24 of data regarding the human environment, then you stress
25 the importance of the question of human environment by stating
26 that it is the main part of this presentation. In your actual

1 study itself, your recommendations cover certain areas
2 regarding Canada's responsibility in terms of statistical --
3 provision of statistical data. Is there any other, it's kind
4 of a difficult question, but is there any other that you, as
5 a Panel have, or any other methods you've come up with in
6 trying to gather this information, especially in terms of
7 doing a further completed study?

8 A I'm not sure I've got
9 the question --

10 Q What I'm looking for is,
11 will you be able to give us more hard data in further evi-
12 dence that you might --

13 A You mean by August the first?

14 Q Yes.

15 A No. It's not likely. I
16 think we canvassed all the areas that we could, and I doubt
17 if it can be done in that time.

18 Q I guess what I was leading
19 to is, I wondered if you were going to actually try and collect
20 some of this data yourselves.

21 A I don't--perhaps Dr. England
22 can comment better on the question of data.

23 DR. ENGLAND: There is no additional
24 data collection anticipated between now and August.

25 Q You make a statement on
26

1 on page 7. "We will draw heavily on the Alaska experience with
2 the Alyeska project". I would like to know why you chose
3 to draw heavily on the Alaska experience, rather than
4 say, Alberta or British Columbia's experience with pipelines.
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1 A Well, we discussed that very
2 thoroughly at the outset and one thing we found in the
3 Berger Hearings was a tendency of everybody, including those
4 who were involved with it, to start from basic principles
5 and that we -- it's difficult to anticipate, particularly
6 social change, and the best thing you can do, if there is a
7 model, is to use that and try to project that into your
8 situation.

9 I looked into, briefly, and to perhaps
10 using the Trans Canada Pipeline looping in Northern Ontario,
11 which goes through a town like Kenora, which has a large
12 native population. We found almost no data available, and of
13 course, the conditions were considerably different on the
14 Trans Canada Pipeline than they are in the North. The single
15 line and the various community infrastructures and everything
16 else are much more applicable to the Alyeska Pipeline than they
17 are anything else and that includes Alberta, in my opinion.

18 Q Thank you.

19 Also on page 7 you have alluded to the
20 development of controls for the human environment. Could you
21 maybe give us some kind of outline of what kind of controls
22 you're thinking about here. It's the last --

23 A I realize that. The word
24 'controls' is causing a lot of problems, and for lack of
25 a better word, perhaps, I can understand your problem. I
26 think we tried to spell this out in our concluding statement

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1 of the principles, and controls and management measures, and what
2 they are. We listed seven, I believe, of the type of thing
3 we're talking about.

4 MR. FOX: May I comment on that, Mr.
5 Chairman?

6 MR. TEMPLETON: Yes, by all means.

7 MR. FOX: I think as Mr. Templeton has
8 explained, the term 'controls' is kind of, let's say
9 partially applicable to what we're talking about, but not
10 completely applicable.

11 It is suggested specifically, for
12 example, that rent controls might be necessary in order to
13 deal with some aspects of the inflation problem. But there
14 are a number of other things that have been suggested that
15 fall in this category, or that we're talking about here.

16 One example is the suggestion that
17 hiring be done in the South, that's in southern locations,
18 for people that are to come from outside the Yukon area, and
19 that would be another type of regulation or understanding
20 that would be necessary to have to achieve the objective
21 here.

22 But there's still a number of other
23 facets to this that I think need be taken into account. One
24 of them, such as working out arrangements, as we suggested
25 yesterday, to compensate people who's incomes would be --
26 real incomes, would be adversely affected. This would be

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1 another kind of arrangement that would have to be worked
2 out in advance to deal with it.

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1 Finally, and one of the points
2 that we've made continuously here, that is in my judgment,
3 extremely important, is the need for an ongoing process of
4 adaptation as we learn more about the situation. We may
5 find, for example, that the situation turns out to be sig-
6 nificantly different than in the Alyeska case.

7 We will get some experience as we
8 go along and what we're going to have to have, as I see it,
9 is some processes whereby the people of this area can be
10 involved in working out adjustments and new arrangements as
11 the program proceeds, so when we use the term 'controls',
12 we're really talking about more than controls, we're talking
13 about a whole set of measures and arrangements for adjusting
14 to this kind of difficult and complex problem.

15 Q Thank you Mr. Fox.

16 If we can move on to Page 8, -- I
17 might have lost my place a little bit here but -- the next
18 question I'd like to refer you to is in conjunction with
19 your grouping of the term -- your groupings under the
20 term 'local economy'. The -- I don't have any argument
21 with the groupings that you've got under there. My question
22 is, you don't have transportation included as an economic
23 group. You've placed it in infrastructure but what I'm
24 talking about here is the actual -- the transportation
25 industry and I wondered why you hadn't included it under
26 your term 'local economy'?

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1 MR. TEMPLETON: Well, I suppose
2 on any of these that some people could define them somewhat
3 differently but it seems to me that transportation in the
4 Yukon is an infrastructure.

5 Q Yes, I guess it's only --
6 in other words, your thinking differs from mine in that
7 I think it's a major industry and you think it's only an
8 infrastructure?

9 A Well, I'm not saying that
10 it isn't an industry, the same as municipal utilities, but
11 it's in the infrastructure category.

12 Q Yes, I was just trying to
13 get at the point -- I wondered if there was a special
14 reason that you didn't include it in the economy section.
15 If there's no specific reason, that's fine, we'll just go
16 on from there. That's fine.

17 MR. NELSON: There is a kind
18 of rationale which separates the local economy from the
19 -- from the infrastructure and that is that we try where
20 possible initially, in this evaluation, to separate those
21 industries or activities that are more -- that are generally
22 supportive from those that are more productive in their own
23 right so that transport was viewed while being an industry
24 in its own right, as supportive of many of the other
25 activities that were going on or likely to go on.

26 So that trapping, commercial fishing,

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1 service and retail, mining and tourism, in a way rely very
2 heavily for their development on transport as a support
3 structure.

4 Q I think I understand your
5 point better now.

6 Page 24, now Mr. Fox just gave me
7 an explanation on controls. Perhaps I can change my
8 question a little bit. You advocate here an overall
9 government control agency -- perhaps the first part of the
10 question I might address to Mr. Fox and that is, would
11 this agency more or less monitor or -- I hate to use the
12 word control or be the agent who ran these controls or who
13 made sure that these controls are implemented that you
14 talked about before.

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1 MR. FOX: Well, maybe I could comment
2 on this in a couple of ways. I think what we want to avoid
3 is the concept of kind of an authority that kind of runs
4 everything and runs everybody. We certainly need a central
5 focus for administration and planning, but we also should
6 have in mind, in my judgement, ways for involving the various
7 affected groups in association with that agency, so that it
8 isn't a monolithic kind of authoritarian organization that
9 just tells everybody what to do.

10 What we do see, however, is the need
11 for some organization that provides the focus for the
12 inputs from the various groups and arrive at a plan and then
13 sees that these plans are implemented. That's what we have
14 in mind here, as far as an agency is concerned.

15 Q You do make statements that
16 this should be a government control agency. Are you firm
17 on this term government in here, should it be government?

18 A If I may comment a little
19 further, Mr. Chairman, I would personally feel that we need
20 more than government, and more than a government organization.
21 My own feeling is that there does need to be a government
22 agency to exercise the only type of control authority that --
23 I mean exercise authority that only a government can
24 exercise in order to get things done.

25 So, you're going to have a government
26 agency to implement whatever controls and whatever plans are

1 carried out.

2 I also feel, however, that there should
3 be, in addition, an organization of non-governmental interests
4 that has some staff to generate information and analogies
5 and reflect their views and you might say carry the case to
6 government and try to influence the government on what it
7 does.

8 Q Such as the North Star Burrough
9 Impact Information Centre?

10 A Well, it might be something
11 like that or it might be -- we haven't worked it out, is all
12 I can say. This is a matter we've been considering and
13 which we would like to give further thought to in subsequent
14 stages. I think that we are agreed on one important point,
15 namely that the public and the various interests in the
16 North should have a major involvement in the process as it
17 goes forward.

18 Q Just in general now on the
19 same subject. Why two years? Is there a special reason?

20 MR. TEMPLETON: I think it's the time
21 to organize these things. It's just to be able to get the
22 story across as to what it is that we're talking about in
23 the planning mechanism and so that people understand what
24 it is, then get the staffing and organization. It takes
25 quite a lengthy time, and I don't think it can be done in
26 less than two years.

1 Q Yes. On page 25, just a
2 clarification, Mr. Fox. Yesterday when you were giving your
3 evidence, you concluded--the first paragraph on page 25
4 concludes "conclusions and recommendations must be regarded
5 as neither comprehensive nor definitive" and even though it
6 not written here, I did hear you say yesterday, with regards
7 to life patterns.

8 Now, for my clarification, do you mean
9 only with regards to life patterns, or do you mean the total
10 picture?

11 MR. FOX: What this refers to, of course,
12 is the whole human environment --

13 Q Yes.

14 A -- and as we mean by that when
15 we say that it's not comprehensive is that there are a
16 number of parameters that we have not studied.

17 Q Agreed. All I would like to
18 know is if you meant yesterday to add "with regards to life
19 patterns", or if that should not have been added?

20 A Oh, I'm sorry. I finished this
21 and then I was saying the next section is life patterns.
22 I'm sorry.

23 Q Okay. Thank you.

24 If we can move to page 30, I have
25 several questions in relation to -- you have
26 made reference here to statements on published manuscripts

1 of Mim Dixon, and I think it's important that there is some
2 further detailed explanation given to these general state-
3 ments such as, "industry assume no responsibility for
4 addressing social and economic problems." Could you expand
5 or could someone expand on those a little bit as in terms
6 of what industry's responsibility was and what they didn't
7 do in Fairbanks?

8 DR. ENGLAND: They are general state-
9 ments and why this publication was not cited at greater
10 length is because it was not published yet. It is Dr. Dixon's
11 impending book, and as you're undoubtedly aware, she was
12 intimately involved in observing the situation in Fairbanks
13 as Director of the Impact Information Centre, and as a
14 consequence of that, probably has more insight, I would
15 suggest, as to what transpired there.

16 The point, I believe, she was making
17 there was that, and I think it's clearly stated also
18 somewhere else in the statements there, that industry was
19 not expected to do anything. She was not blaming industry
20 for not addressing social and economic problems that
21 developed. It was not expected of them. It had not been
22 identified as an area they should be concerned about, areas
23 where they should have responsibility.

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Q I understand you,

Dr. England to say, or can I understand the statements, given that broad general outline, that the details for which I was asking, would really be those which are outlined in your recommendations which follow through from here about such things as the responsibility for ensuring, we'll use Mr. Fox 's example, the people on fixed incomes aren't endangered, those are the types of things you are referring to?

A Yes, but your question was

specifically directed about industry in that particular case was it not? I think if you look carefully at the recommendations, they are certainly not all directed at industry, they're directed at a broad number of agencies, and including industry.

Q Agreed, I just want to know

the specific ones regarding industry. Perhaps you might have, if you can just bear with me for a minute you may have answered that question I have here. Okay, if we can just--now page 35 and 36. You mention at the bottom of the page that, where it says, this paragraph following, starting at "once the above parameters were selected" and within that, the indicators that you identified are consumer price indices and unemployment rates. These are not identifiable, are they?

A I beg your pardon?

Q The statement is made that

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1 "once the above parameters were selected, indicators were
2 identified" wherever the indicators identified are quantifiable
3 measures such as..." and you go on, and in that listing you
4 measure, you list consumer price indices and unemployment
5 rates --

6 A Yes.

7 Q -- but in fact in the North
8 these are not identifiable figures, are they?

9 A In some cases they most
10 certainly are. There is hospital occupancy rates --

11 Q No. No, no, no, I don't
12 mean all those other ones. I know that those are identifiable
13 The ones I mean are consumer price indices and unemployment
14 rates.

15 A Consumer price indices
16 were documented for Anchorage. I recall we were using the
17 Alyeska experience --

18 Q So this experience refers
19 Alaska only?

20 A No, there was, as we indicate,
21 also certain information not of as detailed a nature as one
22 would like from the Food Prices Review Board with respect
23 to this area, but they were not a strong ongoing statistical
24 basis.

25 Q I have-- I'm always very
26 careful when people start discussing statistics, and you just

1 made a statement that the, there were some indices available
2 from the Food Prices Review Board.

3 A That is correct.

4 Q But, will you agree with
5 me that those indices do not constitute an entire consumer
6 price index.

7 A Absolutely.

8 Q Okay. Sometimes people
9 misconstrue that, I just like to be careful. Okay. I can't
10 quite remember exactly who said it, but it was just ending these
11 statements, or following these pages that we were just at, at
12 page 38. I thought I heard someone mention yesterday a
13 local advisory group. Am I correct?

14 MR. MAIR: I made that comment, saying
15 that we have been discussing it among ourselves, and it
16 relates back to Dr. Fox 's earlier comment of the discussions
17 we've had of what mechanism could be developed to ensure
18 local input into these things.

19 Q Thank you, Mr. Mair.

20 We now refer to the text itself, the study on page 514. The
21 question I have, gentlemen, I can only ask for an opinion in
22 this case, but on page 514, you are stating, or you are
23 giving your opinion that a native impact information group
24 representing all corridor communities should be created. My
25 question to you is do you think that the creation-- perhaps
26 if I can qualify this a little bit, being that these corridor

1 communities with the exception of Whitehorse, are small, very
2 small in nature. do you think that a native impact group might
3 not have, in some aspects, be a more or less polarizing effect
4 in the community, seeing that a native impact group is only
5 looking at one section of the community, that it's being
6 funded and assisted to only look at one section of the commu-
7 nity? Just an opinion, gentlemen.

8 DR. ENGLAND: As a resident of this
9 area, I'm sure you'd be able to answer that question better
10 than I. That sort of thing is always a possibility. Ideally,
11 your point is well taken. Ideally, a mechanism like this would
12 be fine if it, in fact, was representative of the entire
13 community, whether that is a workable mechanism in this are,
14 people here know that better than I.

15 Q Thank you, Doctor.
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1 MR. NELSON: I don't know quite
2 what you mean by polarized. I, in my own opinion, it's
3 essential that the native people have some kind of
4 mechanism whereby they can develop their own awareness and
5 their own ability to respond and polarized in that context
6 might mean to put them in a better position to deal with
7 issues that affect them as they come to them from other
8 groups.

9 In clarifying those issues and in
10 discussion of those issues with other groups, understandings
11 might be reached that wouldn't be otherwise.

12 Q Thank you.

13 Can I move to Page 519, the bottom
14 of the page states in view of these data, one cannot but
15 wonder whether there will be real project employment
16 opportunities even of a transitory nature for native peoples
17 unless concerted effort is made to facilitate participation.

18 Could you explain what is meant by
19 concerted effort for me?

20 MR. MAIR: Yes, the experience
21 across Canada has been in the majority of instances, where
22 developments have taken place, particularly with measure
23 developments that somehow or other, the native people have ended
24 up not getting an adequate number of the job opportunities.
25 One of the kinds of special efforts that can be made, but
26 might come under the category of a concerted effort, of

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1 course is, the idea of requiring an industry and this is
2 done quite often by Government. They're putting money into
3 an industry in an area that requires that a certain percent-
4 tage of the people to be hired, be either local
5 people or be people of a native ancestry.

6 That in itself, is yet not enough
7 because what you find is, within a year's time in the turn-
8 over, the people who tend to get spun-off are the native
9 people and then it's very hard to come back and say you're
10 not living up to your -- to the terms of the agreement
11 because they say, well we tried, et cetera, et cetera,
12 et cetera -- it requires a concerted effort which involves
13 the development of perhaps special facilities, of special
14 training programs, of special opportunities, of centers of
15 one sort or another -- I could take an hour, but it's that
16 kind of thing.

17 Q I understand your point
18 a little better now. One thing I'd just like to follow
19 up with you, you mention percentages of employment, you
20 place a figure say, 15 per cent of all our employees on
21 this project will be all males between the age of thirty
22 and forty type of thing.

23 Now, in your experience, is this
24 -- and this has been a practice of the Government of
25 Canada which -- and private enterprise which I'm sure
26 you know, under Government contract.

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1 In your opinion, is that a workable
2 solution to a problem?

3 A I'm correct to say that
4 I don't like that approach. I think there are other ways
5 of doing it which in my opinion, are more likely to be
6 successful, but it's one measure which is easy to get a
7 handle on -- it should be a percentage.

8 Q I hope one day the
9 Government of Canada will listen to you. They haven't up
10 until now.

11 Page 522, what are the measures --
12 what are some of the ways you think we might prevent over-
13 hunting by pipeline workers because this is a point of some
14 concern?

15 A I suppose there are a number
16 of ways of getting at it -- I'm -- how successful they are
17 is another question. One of course, is to forbid the
18 possession of firearms in the camps and this may have some
19 benefit. Another is to forbid hunting within certain
20 distance on either side of the pipeline so that you don't
21 get sort of casual type hunting in that respect.

22 Some of the problems that you get
23 into of course, if you've got a number of Yukon people who
24 are working on the pipeline then you're restricting
25 their rights. The additional problem you've got of course
26 then, is that if these pipeline workers want to go hunting

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1 in their spare time, does the territory feel strongly enough
2 about it -- do they know enough about it -- and I'm not
3 saying they don't -- I'm asking -- putting it really as a
4 question, do they know enough about the resources and what
5 they can stand and so on that they can sort of absorb an
6 unlimited number of additional hunters, maybe have a quota
7 system put into effect, maybe raise your non-resident fees,
8 although with people making the wages of the sort they do
9 usually on pipelines, that's not likely to prove a deterrent
10 but there are a number of techniques.

11 I suppose in the final analysis,
12 one of the very important things is going to be the capabil-
13 ity in the area to enforce and it's my own personal opinion
14 that it's unlikely that any Provincial or Territorial
15 jurisdiction has got the staff to be able to cope by itself
16 with that kind of an increase in numbers and probably you
17 need to develop some system to get assistance from some-
18 where else so that you have a special approach to it during
19 the period of construction.

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1 Q Mr. Mair, in your experience,
2 do you think it would take many more, say an addition of six
3 or twelve people to the enforcement staff of the Game Branch,
4 or do you think just a few people could assist in this
5 enforcement process?

6 A I would really hazard --
7 almost a guess, maybe an informed judgment, I don't know
8 whether it would require that many more, providing you could
9 give them adequate equipment and so on, but it would require,
10 in my judgement, a tremendous amount of organization and
11 communication and so on to do a really first rate job of it.
12 I think it could be done.

13 Q Thank you.

14 Move on to page 527. The statement in
15 made, "even though available information seems to indicate
16 no major increase in violent crime in Fairbanks as a result
17 of project activity, an increase in violent crime
18 considered more likely in Yukon Territory, given the
19 prevailing high rate". So far I've been able to follow all
20 the assumptions through a normal pattern, and this one kind
21 of jumps to the opposite.

22 Does somebody want to explain it?

23 DR. ENGLAND: It is a judgment of mine
24 with which you obviously disagree. It's simply based on the
25 fact that the rate of violent crime, here for whatever reason
26 is substantially greater than the national average. That

1 would seem that some forces are at play, some attitude
2 prevails, whatever it is, it would seem to account for this
3 type of an outlet. That's what the judgment is based on.

4 Q This is a matter of concern to
5 anybody that lives here, that question of violent crime, and
6 the Fairbanks experience has shown, as you have indicated, very
7 little increase in violent crime. I'd like to know, in your
8 thinking, how you think a pipeline here --

9 A Well, I think I can clarify
10 that a little bit further for you then. If my memory serves
11 me correctly, that if you examine the crime statistics for
12 the Fairbanks area, you will find, in fact, a much lower
13 rate of ^{violent} crime prevailed there than here. So it was seemingly
14 a less violent atmosphere to begin with. Now, I stand to
15 be corrected on that, but that was my reading of the data.

16 Q I won't argue those details, I
17 was just trying to sort your thinking out here, it seemed
18 to divert a little.

19 Also on page 527, I guess. Again, I
20 only want to clarify some statistical type statements that
21 were made. It says on the bottom of the first paragraph
22 we're talking about the average level of alcohol consumption,
23 and I'd like to know if you meant consumption, or if you
24 mean a purchase?

25 A That's based on purchase.

26 Q Okay, now your consumption

1 figures are taken, now you are saying you have a -- I think
2 you mentioned yesterday, it was seventeen times the national
3 average?

4 A That is correct.

5 Q Now, those figures are -- you've
6 developed that statement from taking the number of persons
7 in the Territory and dividing it by the amount of purchases
8 made through the Liquor Control Board.

9 A That is correct.

10 Q So, in other words, that is not
11 a statement of consumption?

12 A That is -- I assume that most
13 things that are bought are consumed. Now, I think the point
14 that you're getting at is that there are a lot of people
15 move through the area, that do not reside in the area, but
16 I would say that is a condition that prevails in most
17 provinces and areas, and you shouldn't think you are
18 particularly unique in that regard.

19 Q No, I agree. But what we're
20 talking about here is taking two figures and dividing one
21 by the other and saying that -- you're saying that alcohol
22 consumed here is the total of what is purchased, divided by
23 the number of residents, and I really am questioning that.

24 A I would be content to have
25 someone change the wording of that to say that alcohol
26 purchases in the Yukon Territory are seventeen times the

1 national average, if you feel more comfortable with that.

2 Q I do. Just a few more, gentle-
3 men.

4 Through all the pipeline hearings that
5 have been held in the North, there's a question that has yet
6 been unanswered, and that's the definition of a northern
7 resident, and you people have alluded to it, so now I'd like
8 to hear your definition.

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1 I think that in asking that question
2 that your assistance in reaching a decision as the term
3 northern resident, because somewhere somebody is going to
4 have to make a decision.

5 MR. TEMPLETON: I think we have
6 not defined a northern resident as you say and I really --
7 I suppose for our figures, if we were getting very accurate
8 figures, we should have done -- we should do that, but the
9 definition of that I think is for the people of the North
10 to define, not us.

11 Q Well, I asked you gentle-
12 men the question only because you've made specific
13 recommendations which actually pertain to non-residents
14 and residents, specifically, that's used --

15 A Well, we're really just
16 talking about how many years I suppose of living, isn't
17 that what you're talking about?

18 Q Well, if you wish to
19 define it that way. We, the Chamber of Commerce, have
20 defined it in our NEB brief as anyone here before January
21 the 1st, 1977, for purposes of pipeline employment.

22 Now, that's other than the several
23 that the Government now have in operation and there are
24 several that both the Government of Canada and the Territorial
25 Government use for northern residents or Yukon residents.

26 A Well, putting a date is

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1 pretty difficult, when you're -- when the pipeline may not
2 be built for several years.

3 Q Oh, agreed, but I'm saying,
4 do you people have any?

5 A We don't have a very
6 finite definition and I don't think that our studies rely
7 on need at this stage but I'd be certainly interested
8 to hear how -- if the people of the area could define it,
9 we'd use it.

10 Q Perhaps the Board would
11 like to take the question and see if they can get an
12 answer through their hearing. I think it's a very important
13 question that has to be answered for the pipeline.

14 We'll just go on, it doesn't matter.

15 Page 563, at the end of the first
16 paragraph, there's a recommendation that an agency be
17 established to utilize the information which we're going to
18 get Statistics Canada to gather for us. My first statement to
19 you gentlemen is, you'll never get Statistics Canada to
20 gather it, but if -- once you've got this agency to utilize
21 this information, are we talking about another agency or
22 are we talking about the same agency that was referred to
23 previously?

24 Well, I think in that it's
25 a planning function -- I think it's in the planning function
26 of the agency or agencies that Dr. Fox was talking about.

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Q All right, thank you.

I haven't got a page number on this one, sorry, but there's a recommendation made on the non-use of local businesses for supply. Somebody made the statement yesterday that perhaps a very little use of local businesses would help the inflation situation somewhat.

Exactly how do you perceive this happening?

MR. FOX: This is one of the things we haven't figured out. I -- but let me just make a couple of observations on it.

I would assume, or it's been proposed by the Applicant that they would have a number of camps.

Q Yes.

A And that a substantial portion of, you might say, the services might well be provided within the camps, that is, certain types of goods and materials and services that they would require, could be provided within the camps. I think the real problem is that if you expect local merchants to make the investments to build up inventories and supply this for a very short period, it's going to cause probably several types of things.

It'll necessitate increased prices and secondly, there no doubt will be shortages occur that will cause prices to rise in the meantime, which will in turn, cause hardship particularly upon low income or people

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1 with fixed incomes, so essentially, we would see that it
2 would be important within the camps particularly, to have
3 provision for, you might say, the sale of the types of things
4 that people would use on a day-to-day basis and not impose
5 this sort of demand upon the local economy.

6 Now, this is matter that certainly
7 we've got to think through further but we think it's an
8 important problem that does have to be addressed and we
9 recognize that you can't -- it's not something you can cut
10 off completely and you can cut off completely from the
11 local firms but a middle ground here has to be found if we're
12 going to deal with the inflation problem.

13 Q It's a matter of great
14 concern to us as well. The -- okay, in following along
15 there, on Page 582, you made another assumption.

16 It says,
17 "We assume that there will be little sustained
18 investment to maintain some income levels at
19 the levels they reach during construction",
20 and you're talking about after the construction of the
21 pipeline. You're saying here that you don't think anything is
22 going to happen in the Yukon after a pipeline's built, is
23 that right?

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1 MR. TEMPLETON: I don't think that's
2 what it says.

3 Q Well, maybe you can explain a
4 little bit.

5 MR. FOX: Let me explain. The
6 construction period is a relatively short period --

7 Q Yes.

8 A -- in which there's going to
9 be a very large number of employees at the peak, roughly
10 1,800 is the current estimate.

11 Q Yes.

12 A Now, then it drops back on the
13 pipeline to less than 200. What we are saying is that we
14 don't expect that difference to be built up in a very
15 short period, between 200 and 2,000, and there is, of
16 necessity, going to be a drop back, a drop in the amount of
17 employment to say somewhat near, somewhat down close to the
18 200, or maybe it'll be 500, but there's going to be quite
19 a cut back in that period. That's the basic assumption that
20 we are making here.

21 Q Thank you.

22 MR. MAIR: I might just add one other
23 point to Mr. Fox, we hope that it has come through in our
24 remarks that we are very concerned that there be adequate
25 forethought, preplanning, and that really involves planning
26 and beyond, and it's through that process that you can phase

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1 things and set certain procedures, or possible developments
2 in motion, so that you can tend to smooth out that peak,
3 but if it's not done, it seems that there will be this very
4 sharp drop, which inevitably would cause problems.

5 Q I'm glad to see you appreciate
6 our problem of the Government of Canada never bothering to
7 preplan things.

8 You'll see in just a general statement
9 that we have agreement with you in our brief, regarding your
10 hiring policies that you have recommended, and no argument
11 with them whatsoever.

12 I have again a clarification word. On
13 page 583 in the recommendations, the second one from the
14 bottom: "The above measures could significantly reduce the
15 potential for inflation." Does significantly mean there
16 what I normally would attribute to the word 'significantly' as
17 its meaning. Can we actually take those certain measures
18 that you've recommended, implement them, and know or hope
19 that we won't have an outrageous rate of inflation? In
20 other words, there is a solution to the problem, you're
21 saying?

22 MR. FOX: I'd be glad to offer an off
23 the top of my head reaction. I think there's a great deal of
24 uncertainty in this area. I think that these are the things
25 that we can see that will offer some promise that the
26 inflation would be mitigated. But, this is one reason, the

1 fact that there is considerable uncertainty associated with
2 it, is a reason for having some ongoing monitoring and
3 consideration of what other things might have to be done
4 during the period to keep things under control.

5 So, we think these would be helpful,
6 but I don't have the confidence that we know all the answers.

7 Q Thank you.

8 There's a mention in these recommendations
9 that, I'm not quite sure as to ^{the} method that you foresee these
10 things happening, but in following page 584 in your
11 recommendations, still on the same subject, you have mentioned
12 that we place the onus on the applicant to maintain prices
13 in the housing and retail markets, and this is exclusive
14 of your rent control recommendations. Perhaps you could
15 explain to me how you foresee the applicant keeping retail
16 prices down as you mention in your recommendation here?

17 DR. ENGLAND: This would first of all
18 require gaining some insight as to what factors, in particular,
19 may be causing that increase that seems to take place, whether
20 it's a sudden large jump in the cost of transportation or
21 whatever, although I am not aware of any situation where the
22 method is being applied. It doesn't seem totally impossible.
23 from my point of view that things like additional transpora-
24 tion services, warehousing, even supply of goods, to mitigate
25 shortages which can give rise to increase in cost. It's
26 not totally unrealistic in my view, to see some of these

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1 sorts of responsibilities being placed upon a proponent of
2 a very large scale project, otherwise manipulating supply to
3 a certain case in certain instances.
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MR. MORRISON: Thank you. Mr.

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Chairman, I only have a few more questions.

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Page 586, on top of the
page the first sentence, and I only have one quick question.
Do you mean another agency should be established, or again
are we talking about the same one as in the first place?

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MR. MAIR: I think it's essentially

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the same one, if I might comment, Mr. Chairman. I have made
a note here that if the opportunity arose, I should make it
clear that our concern is not to form new agencies. Our real
concern is that with the clutter of agencies we already have,
it's very hard to put your finger on who's responsible for
what.

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Agreed.

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And we would like to see
some sort of an arrangement and we've used the term agency
committees and so on, as I think Mr. Fox has said to form the
focal point, you'd know you have some place where these things
come together. When we speak of a government agency, we
are not suggesting yet another one, but you know, I've worked
for 25 years in government and even I can't think sometimes who's
responsible for something. It takes quite a while to find it.
So I know that people outside the government find it exceedingly
frustrating. Now when you get this kind of a development,
with all that will go with it you can just visualize what

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1 a terrible task it's going to be to try to find who's really
2 responsible, who's supposed to do what, and so on. This is
3 why we keep talking about an agency which really would have a
4 number of functions. We just don't know exactly yet what
5 form it should be, how it should operate. The intent is not
6 to increase but try and provide a focal point.

7 Q You satisfied my concern.

8 I was beginning to think that you kept mentioning another
9 agency that you were actually doing what you just told me you're
10 not going to do. Very good.

11 MR. FOX: I think we ought to
12 emphasize here that this represents, reflects in part the pre-
13 liminary nature of this report. That we have yet, as we've said
14 a number of times, we've got to sort out these recommendations
15 and indicate how they can be implemented in a coordinated and
16 integrated fashion. I think that once we're able to that
17 we would avoid some of the confusion that we've caused you
18 by the way we use this term.

19 Q Page 599. A slight clarifi-
20 cation again on statistical data. There's reference to a 7
21 percent unemployment rate in the Yukon. I would just,
22 perhaps if I can make a statement type question, that the 7
23 percent unemployment rate does come from the 1971 census
24 figure?

25 DR. ENGLAND: I'm afraid I can't answer
26 that for you right now. I have a feeling it's a 1976 figure.

1 Q If it's a 1976 figure, it
2 again must come from the census, and therefore, it is not
3 an unemployment rate figure, only a figure that Statistics
4 Canada --

5 A Insurance, Unemployment
6 Insurance Claims Commission figures.

7 Q Well, you stated earlier
8 that we have 11,000 of a work force and I can go and get the
9 Unemployment Insurance figures that will show that there have
10 been 15, 16 hundred people collecting unemployment insurance,
11 and that doesn't work out to 7 percent.

12 A No. It could well be,
13 I'll get clarification for you on it.

14 Q I can't, just to point
15 out, gentlemen, it's not a very good figure, is what I'm saying.
16 And I don't have one either, Mr. Templeton, but I would think
17 that you're probably safe if you use 15 percent.

18 A Professor Fox informs me
19 that he believes that it's a 1971 figure.

20 DR. FOX: I think that's right. I
21 think it's used earlier and points out that all we were able
22 to get is the '71 figure. And then it's just referred to here
23 again, and without any further explanation.

24 Q If I may point out, Mr. Fox,
25 that if taken that it is a 71 figure, it's collected at
26 census time and census, as we all know is June. And June is

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1 a poor month to collect unemployment figures. I'd like
2 to move on back to, well it wouldn't really matter, the summary
3 or the text itself but the transportation question when
4 we talk about infrasturcture. Your statements in your book
5 lead me to believe you've developed an opinion that Yukon's
6 transportation system may somehow have to be upgraded or ex-
7 panded to meet the needs of the pipeline construction. Am I
8 correct?

9 DR. ENGLAND: I think we indicated
10 in that regard that we were unable to acquire information on
11 the degree to which existing capacity was being utilized. And
12 this is a critical consideration. Once you know what in fact
13 the unutilized capacity is, you know what capacity you have
14 to absorb additional transport functions that might be brought
15 about because of the construction of a pipeline. And how you
16 would respond above and ^{that} beyond/and what additional infrastruc-
17 ture you might require as a result of increased activity, are
18 questions that obviously have to be addressed.

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1 Q I'm concerned though that
2 you have indicated here something about capital costs, there
3 was some mention. I'm trying to find a reference to it that
4 I did see.

5 Do you foresee a need for capital outlay in
6 terms of transportation?

7 A Well, again, I would say that
8 depends on an assessment of the adequacy of the infrastructure
9 to cope with the demand that is going to be placed on it,
10 and the capacity of the existing system to handle any
11 additional transport function. If in either case there are
12 inadequacies, there will undoubtedly be a capital investment
13 required to bring them up to the scale and the quality
14 required to fulfill the function.

15 Q Okay, in that respect, Dr.
16 England, in your study you did make some statements and
17 some comparisons. You did seem to analyze that the White
18 Pass & Yukon system does have some excess capacity. I
19 might have missed it, but I didn't see any reference to the
20 highway system itself, but you did make a statement that you
21 do not think that normal government revenue in terms of
22 gasoline tax, license fee, revenues, those revenues that the
23 government would accrue from any increased activity would
24 pay for the increased maintenance costs. You make -- that's
25 a fairly definitive statement.

26 A I think the very little bit of

1 data that is available from Alaska would indicate that the
2 money accruing from those sorts of sources would not have
3 been enough, and this, I want to harken back to the principle.
4 The concern is that if there additional costs to be incurred,
5 where are they to be allocated? Is it the Canadians and
6 Yukoners that should be expected to bear this cost, or just
7 how should it be allocated?

8 Q I agree with your point, doctor,
9 but the point I'm trying to make is that in making such a
10 statement like that, I thought maybe you had more specific
11 information than what you have just outlined, but it doesn't
12 matter.

13 DR. NELSON: I think two things are being
14 done in this section. One is to indicate that we really
15 haven't done very much research on transport in the Yukon;
16 and the second, and it's consistent with the format we've
17 used throughout the human environment section, is to look
18 at the Alaska situation as an analogy, and in looking at the
19 Alaska situation as an analogy you find a startling rate of
20 increase in all sorts of costs connected with transport,
21 so that all that's being said is that one might anticipate
22 that something like this would occur here, and we should
23 be thinking about it, and thinking about means of allocating
24 the costs connected with that. But, it's a kind of red flag
25 statement. It's not a definitive one.

26 MR. TEMPLETON: I think there has been a

1 great deal of work on whether license fees pay for trucking
2 costs, and they do not in any State or Province of Canada,
3 as far as I know, and the heavier the loads, the less
4 proportion do they pay.

5 I think there are pretty good figures
6 on that and there isn't any question in my mind that the
7 heavy loads for hauling pipe and things like that are going
8 to cause a substantial cost to the maintenance of the highway.

9 Q Thank you.

10 MR. CHAIRMAN: Mr. Morrison, have you
11 completed that particular line of questioning? If so, I'll
12 suggest we take our mid-morning break at this stage.

13 MR. MORRISON: Actually, Mr. Chairman,
14 I'm finished.

15 MR. CHAIRMAN: You're finished all
16 lines of question?

17 MR. MORRISON: I'm finished all lines
18 of questioning.

19 MR. GOUDGE: Can I ask, sir, that we
20 hustle back from our break, because we have a lot of ground
21 to cover.

22 MR. CHAIRMAN: Is that an admonition
23 that's aimed at recommencing in ten minutes.

24 (PROCEEDINGS ADJOURNED)

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1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

2 MR. GOUDGE: Mr. Chairman,
3 members of the Board, I'd like to get us back if we could.
4 Next on the list is Mr. Joe from the Council for Yukon
5 Indians. Mr. Joe?

6 MR. JOE: Thank you Mr.
7 Chairman.

8 CROSS-EXAMINATION BY MR. JOE:

9 Q If I may start off by
10 referring to some comments that were made by Margaret
11 Thompson, the President of the Indians Womens' Association
12 of Canada, respecting certain comments she made regarding
13 the land claims issue and I believe Mr. Templeton, you
14 referred to your last paragraph in your letter, which
15 stated that,

16 "It is not practical for us to examine the
17 land claims issue of the Native peoples
18 in adequate detail, however, it must be
19 emphasized that it is an essential political
20 factor that must be addressed by all
21 directly concerned."

22 Now, if I may put the question to
23 the Board, Mr. Templeton, and get a response as to when
24 this essential political factor -- when must it be addressed
25 in terms of pipeline construction?

26 MR. TEMPLETON: Well, I guess

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1 the land claim settlement is as -- all of the native
2 organizations have pointed out, is an ongoing thing. It
3 isn't just a signing of an agreement I think, maybe I'm
4 wrong. I feel uneasy about talking about how you're doing
5 it because I'm not party to it, but it seems to me that
6 it's a staged sort of effort and you'll meet -- you'll come
7 to some certain plateau and have some agreement on that and
8 then you move on to another and so on.

9 I don't know at what time in that
10 process you say that you can accept the pipeline or a pipe-
11 line at all or any one and I don't think you can -- I can't
12 say where that is.

13 Q Do I understand it to mean
14 that pipeline construction is not incompatible with land
15 claims settlement and implementation?

16 A Is not compatible?

17 Q That's correct.

18 A The pipeline is not com-
19 patible --

20 Q Is not incompatible.

21 A Incompatible. Well, I
22 think we have tried to say that the land claims must be
23 settled in some way. Now, I don't know how far in that
24 process it has to go before the native people will accept
25 it. I think the perception of the native people to the
26 pipeline is all important and if you find that you can --

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1 you've got to a certain stage and have a certain commitment
2 from Government that you can accept it, then your perception
3 of it will be -- the native people's perception of it will
4 be positive and then it might be even advantageous in some
5 ways.

6 I don't know whether I've answered
7 your question but I'm finding difficulty because I don't
8 really know the process that you're going through.

9 Q Well, as I understand
10 your answer, you feel that it's essential that there be
11 some form of settlement with the native people prior to
12 the construction of land claims then. In your own mind,
13 you don't recognize what plateau is essential before the
14 benefits which can be made available to the native people,
15 is in fact, conducive with their values at that point in
16 time?

17 A I'm --

18 Q What I'm saying is that
19 you would agree that settlement must in fact begin before
20 construction of a pipeline?

21 A Oh yes, definitely.

22 Q And in your own mind, you
23 don't really know at what plateau the native people have
24 to be at before construction starts, is that correct?

25 A Yes.

26 Q Thank you.

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1 Now, if I may refer to the precis
2 of evidence which you presented in the area -- or in the
3 segment beginning with the Human Environment dealing with
4 the aspect of acculturation, I believe Dr. Nelson gave the
5 definition of acculturation. Could you run that past again,
6 please.

7 DR. NELSON: Acculturation refers
8 to the process of change between two cultures or lifestyles,
9 refers to the interchange of so-called culture traits be-
10 tween two groups with different learning sets so that
11 transfer of technology, transfer of social ideas, would all
12 be involved in a process of acculturation as is defined by
13 social scientists.

14 Q I see, so drawing from
15 the Alaska experience in terms of acculturation, such things
16 as the loss of leadership, the hardship of which the elders
17 had to endure because of the loss of extended family life,
18 were in fact, some problems which the Alaskan native
19 people had to endure, due to this process, is that correct?
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1 A In a sense. What we are really
2 trying to get at in using the word 'acculturation' is that
3 there is some set of elements of which language is one, and
4 we've used that as an example, that really define the native
5 life-style and native culture, and separate it from those
6 with which it interacts. So that if you did in the process
7 of constructing a pipeline remove from a rural village,
8 an individual who served a particular leadership role, in
9 that village, and helped to keep together the traditional
10 leadership system, or if you removed some young people who
11 were performing some certain tasks in that village that
12 were necessary to it's continuance, then you might make it
13 very difficult for that group of people, or that village
14 to return to the condition they were in before the pipeline.

15 In that case they would then be
16 dissegregated and it wouldn't be likely that they would be
17 able to sustain themselves in the old way.

18 Q Are you familiar with the
19 dates in which the Land Claims was settled in Alaska, prior
20 to pipeline construction?

21 A Not precisely.

22 Q If I told you that the settlement
23 came in 1971 and construction started in, I believe, January
24 of '74, would you agree with those dates?

25 A It sounds roughly correct to me.

26 Q And if in fact, those effects

1 of acculturation of loss of leadership and the hardships
2 which were suffered by the elderly three years subsequent
3 to the settling of the Land Claims in relation to Mr.
4 Templeton's remark as to the satisfactory plateau which the
5 native people must reach before they can acquire and retain
6 some of the benefits of the pipeline, then in fact, what is
7 needed is more time than those three years for the native
8 people after pipeline construction starts. Is that correct?

9 A I've a great deal of difficulty
10 with the matter of time. I think the problem is more
11 complicated than simply having us discuss whether two years
12 is enough, or whether three years is enough, or whether
13 five years is enough. A lot depends upon what you do within
14 the time that's available to you.

15 I don't know precisely what was done
16 in detail with respect to this kind of point in Alaska,
17 although my impression is, not very much, that this really
18 wasn't brought out very well, and that an agency or agencies
19 and the co-ordinating mechanisms and so on were not set up
20 to protect or provide for the kinds of things you raise.

21 So, to say two years, three years, or
22 four years, is not quite enough. You need to know how much
23 effort has been made by the different agencies, how much
24 funding is available, what kind of personnel are available,
25 what degree of commitment there is on the part of all the
26 interested parties, all those variables.

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1 MR. MAIR: I might add, to what degree
2 that the native people themselves really had any involvement
3 in some of the things that went on around the pipeline. I
4 suspect that having settled the native claims, there, then the
5 pipeline simply proceeded in a sense quite apart from what
6 the native people were doing. I don't know the details of
7 it, but, following from what Dr. Nelson said, we are not
8 aware that many of these actions were taken, which we've been
9 suggesting would be useful. That these actions ever were
10 taken and so on, so it's hard to say.

11 Q I think the point that I'm
12 trying to get at is that the Alaskan native people have
13 three years in which to prepare after the settlement of
14 their Land Claims, and if in fact the pipeline proceeds --
15 the pipeline construction proceeds before the settlement of
16 Land Claims in the Yukon, then the problems, the social
17 problems which have been indicated in the Alaska experience
18 will be magnified even more in the Yukon. Would you agree
19 with that?

20 DR. NELSON: I can't do any more than
21 to say what I have already said. I appreciate the point
22 that you're making that the process of effecting the settle-
23 ment -- I think what you're saying is that the process of
24 effecting settlement is very demanding of your resources as
25 they are available and of your time, and to have in addition
26 a major technological proposal, which is going to affect

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1 not only everything that you are doing, but the whole
2 economy in the area.

3 On top of that, is very difficult for
4 you to deal with, but I would go back to the point that I
5 think there are some advantages in the current situation.
6 There are a number of agreements that have now been made
7 between native groups and various governments, and they
8 can be looked at as precedents, and that may be one way of
9 saving time.

10 The other variables still hold. How
11 many other types of resources are available to help you to
12 deal with these two things?

13 I feel that, personally, because we are
14 now in a process that may lead to a decision on a pipeline
15 that recommendations on funding and other assistance to the
16 native groups should be forthcoming as quickly as possible.

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1 Because that is not incompatible
2 with the point that I think Dr. Mair and I were both making,
3 that any native information agency or any human resources
4 center or any other process that is set up with respect to
5 this pipeline, should be set up in such a way that it can
6 help the people to deal with all the other economic, social
7 and other demands that are being placed on them and put them
8 in a better position to make development decisions.

9 Even if the pipeline does not go
10 forward, if some funding and other money is available to
11 help you to deal with these kinds of development issues,
12 that will be an important contribution in its own way.

13 I don't know whether Bill wants
14 to --

15 Q Well, just if I may dwell
16 on that just for a bit longer, let's take the aspect of
17 employment, and dealing with the aspect of local economy
18 in which you mentioned that the minority groups in Alaska,
19 primarily the native people, were able to work out a
20 lucrative type of contracts for their people for employment.

21 Now, I suggest to you that the only
22 reason that they had that opportunity because they had
23 sufficient economical clout as well as a political clout
24 which they derived from their settlement of claims in 1971
25 but we in the Yukon, if the native people do not have that
26 economical and financial and political clout through the

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1 settlement of claims, they will not be able to deal toe-to-
2 toe with such corporate entities as Foothills or with such
3 Federal entities as the Federal Government and the Yukon
4 Territorial Government.

5 Would you agree with that state-
6 ment?

7 A If that is your perception
8 of the situation, if the native groups generally agree that
9 they do not have access to the funding and other resources
10 required to put them into a reasonable competitive position,
11 I would not have any quarrel with that.

12 I don't know whether that is the
13 -- I don't -- I'm uncomfortable with the notion that the
14 requirement for that kind of funding and support might
15 precipitate a settlement that was somewhat different than
16 the one that might occur over a longer period of time with
17 a lot of other variables included in it.

18 Q Also, as I recall in the
19 acculturation, at the summary of acculturation, you indicated
20 that -- or you made the recommendation that technical and
21 financial assistance should be provided to the native
22 people to -- in order to assess the impact of the potential
23 effects of a pipeline, is that correct?

24 A This is on Page 42?

25 Q Yes, I believe that that
26 is where that recommendation is made.

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1 A Where we say native impact
2 information group and representing all corridor communities,
3 et cetera, is that the one you're referring to?

4 Q That is the one, yes.

5 A Well, this is the point
6 that we touched on a couple of times earlier. We don't
7 really know precisely whether a native impact information
8 group is the correct designation, whether we're talking
9 about a Human Resources group or mechanism which assists
10 not only natives, but others and is co-ordinated in some
11 way. We do feel as I indicated earlier, that this shouldn't
12 simply be something that is available for this pipeline
13 only, but rather should be set up in such a way that it can
14 continue to provide information and resources and an ability
15 to respond to whatever groups are involved indefinitely

16 Q I think the point that I
17 was taking to get at in assessing that type of an impact
18 information group, was that in the past, there has been a
19 number of assistance made available to the native people,
20 financial and technical, and that type of assistance was only
21 a bandaid approach which was advanced by the Federal
22 Government and what you're suggesting -- I'm suggesting,
23 is basically that is the same type of approach.

24 Would you -- do you have any
25 comments on that?

26 A I think that the sooner

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1 the native groups can get into a position in my experience,
2 where they have people who can approach technical issues,
3 like renewable resources use public land management issues,
4 engineering issues -- using their own people, the better
5 off they will be.

6 Now, anything short of that can be
7 labeled as a bandaid type of approach and we don't really
8 like that situation any better than you do. Whatever can
9 be done to -- by gradual or even sudden means, provide the
10 technical and other capability within the native groups,
11 as soon as possible, I think we would generally support but
12 that has been a long-standing problem. It is a fifty year
13 or a hundred year problem and we still haven't found
14 adequate means of dealing with it.

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1 Q I believe last May, 1976, the
2 past Chairman of the Council for Yukon Indians presented
3 to the Berger Inquiry in Yellowknife, a proposal whereby the
4 Indian people in the Yukon would take equity control of
5 Foothills (Yukon) Ltd. Now, given that type of an approach,
6 would your suggestion of giving the Indian people financial
7 and technical assistance in studying the impact, would that
8 in fact be a different approach? Or can that in fact be
9 compatible with the type of proposal that was advanced by
10 Elijah Smith in May of 1976?

11 MR. MAIR: I would think it could be
12 quite compatible, because we're talking really about a
13 process in the one case, whereby you gradually are able to
14 develop your goals and objectives and your strategy for
15 achieving them, and so on.

16 In the other case, this might be one
17 of the methodologies or the techniques by which you get into
18 the flow of activity, the industry and so on, that's going
19 on. This idea of equity is one that is being talked about
20 quite a bit across Canada among the native groups, so that
21 they have some sense of being a part of it, rather than
22 merely as is so commonly the case, there to do the odd jobs
23 and so on. Become part owners, and have a sense of belonging.

24 I can say that in one or two instances
25 that I am aware of with very small businesses where there
26 was an equity situation that was a very harmonious relation-

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1 ship, and that as it happened, in one case, a good percentage
2 of the people working in the industry were themselves people
3 of Indian ancestry, and they had a great pride in ownership
4 and were excellent, absolutely excellent.

5 The two are not, I would say,
6 incompatable at all.

7 Q Thank you.

8 If I can move on to another area, the
9 area of public safety. Page 44 of your submission where
10 you state: "Higher crime rates in Yukon Territory are
11 probably attributable in part to factors such as the
12 relative youth of the population, high mobility of the
13 population and the above average level of alcohol
14 consumption."

15 Do you have any studies which would
16 reflect the racial breakdown in the Yukon Territory of how
17 many native people may in fact be incarcerated, or subjected
18 to the Courts in the Yukon Territory, compared to non-
19 native people?

20 DR. ENGLAND: We have not attempted to,
21 in most of these factors, to differentiate on that basis.
22 I'm sure there is data available with respect to incarceration
23 tion, but it would not, I'm sure, satisfy the definition of
24 native . It might identify Status-Indian population that is
25 incarcerated, but as I understand the definition of a native
26 as it is being used at the present time in Yukon Territory,

1 it encompasses a great number of people who are not in that
2 category.

3 Q Well, I have some figures here
4 taken from an April study that was carried out by the
5 Yukon Association of Non-Status Indians who commissioned one
6 Phil Hazelton to carry out a review of that type of situation
7 in the Yukon Territory, and his findings indicate that out
8 of the 315 people who did time at the Whitehorse Correctional
9 Institute, or at the local gaol here in Whitehorse, 161 of
10 those persons who were incarcerated were people of Indian
11 ancestry, and if you convert that to a direct percentage,
12 it is 51 per cent. Now my question is; if in fact higher
13 crime rates will prevail in the Yukon Territory subsequent
14 to pipeline construction, is there any feeling from the
15 Board as to the maintenance, or the continuing of that type
16 of a statistic?

17 A I'm not quite sure I understand
18 your question. Are you asking whether that type of statistic
19 should be maintained in terms of keeping it, or whether
20 that situation is apt to prevail on a continuing basis
21 given that there is a considerable increase in crime? If
22 there are 1,000 people incarcerated, will there be 500 native
23 people? Is that what you are asking?

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1 Q And that's correct?

2 A Again it would depend I think
3 on the degree to which this type of operation would induce a
4 stress, quite frankly, how various groups would respond to that
5 and I couldn't give you a --

6 DR. NELSON: You're asking for a
7 prediction, and on a rather complicated question, and you're
8 only giving us a snapshot of the situation. Until one could
9 make any kind of, one couldn't make any kind of reasonable
10 prediction unless we had some data over a period of years, and
11 then you could try and predict on a basis of normal statistical
12 techniques. To get us to give an opinion on the basis of that
13 one figure as it might prevail in a new situation is really difficult.

14 DR. ENGLAND: Surely a relevant
15 question would be at the present time explaining why the ratio
16 is as it is now, knowing ^{what} that ratio is in a numeric sense is
17 one thing. Knowing why it is like it, is another.

18 Q I think that's the type
19 of problems that we've been trying to address in the Yukon
20 for the last umpteen years and so far we have been unsuccessful.

21 MR. MAIR: To comment. I don't know
22 if the situation is precisely the same in the Yukon, but it's
23 a fact in some other areas of Canada that a substantial per-
24 centage of the incarcerations of people of Indian ancestry
25 arise from the fact they do not have the money to pay fines for
26 relatively minor infractions, and therefore, they show up as

1 a statistic, in the penitentiary system, in the jails and so
2 on, when in fact the rate may not be that much higher than
3 it is for non-Indian people, merely reflects the level of
4 income and their inability to pay the fine. So this again
5 clouds the issue.

6 Q That, in fact, I think would
7 reflect the type of difficulties they had in terms of adjusting
8 to the dominant culture. Would you agree with that?

9 A Yes, I would agree with
10 that.

11 Q Now, Foothills has stated
12 they will be having a number of camps the size of approximately
13 700 to 800 men in those respective camps, and their concept is
14 that it will be a self-contained camp. Now, your Panel
15 had suggested that perhaps one of the ways of maintaining these
16 men in these camps, is by providing a number of recreational
17 type of activities in those camps. Can you suggest any
18 type of recreation that would keep 700 to 800 men in those
19 camps?

20 MR. TEMPLETON: In the Mackenzie
21 Valley they had a system to build it in the wintertime
22 when it was 40 below and that tended to be it, but this
23 one was built in the summertime that's a big problem. And
24 of course that brings on the whole problem of access on the
25 highway. It's a real problem. Now, I believe the Panel,
26 on Thursday, ^{said} they were going to limit the use of vehicles,

1 company vehicles and in the access, bring the, having people
2 who will be using the highway, and if they work the long hours
3 that they propose and have the rest and recreation period
4 outside, it would reduce to some degree, but I don't in any
5 way suggest that a recreation hall is going to keep some of
6 the people in camp.

7 Q If I can move on to the
8 cost of living and Income segment of your report. Would you
9 agree with me if I stated that the Native people of the Yukon
10 Territory are in fact on the bottom ring of the social strati-
11 fication system in the Yukon?

12 A Yes.

13 Q And they in fact would be
14 the people who would suffer the most in terms of real income
15 and deprivation?

16 A Yes.

17 Q Do you, does your Panel have
18 any recommendation for alleviating that type of a financial
19 stress on the Indian people of the Yukon?

20 A I think we're talking about
21 a problem or trying to alleviate the problem on all of the
22 fixed incomes, not just the Indian people, because everybody
23 is going to suffer that aren't on the pipeline employment.
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1 Q Well the whole question of
2 employment, you indicated that the native people may not in
3 fact get jobs of a transitory nature on the pipeline.

4 A Well, that's true of a lot of
5 other people too. That is true of most of the people, that
6 they will not be employed on the pipeline, they will be
7 going with their regular employment on incomes that are set
8 elsewhere.

9 Q In the previous panel, the
10 socio-economic panel of Foothills, they held out that one
11 of the long term benefits to the Yukon Indian people will
12 in fact be employment opportunities. You would disagree
13 with that?

14 A Well, there are jobs, and I
15 believe the Nortran Training Program was one where it would
16 provide -- would train people for the operation of
17 compressor stations, inspection of lines, things like that,
18 and such it has employment opportunities for some people,
19 but it doesn't cover the whole problem.

20 Not all of the people, I gather, want
21 to work on that, and of course some of them aren't able to
22 anyway.

23 Q We can pass on to local
24 economy now, the aspect of trapping. You state that 40
25 per cent of the Yukon traplines are along the corridor and
26 yet only 10 per cent of the Yukon fur sales come from the

1 Alaska Highway, per se, but because it scared away any of
2 the animals. I think if there is a relationship there, it
3 would more likely be because people tend to live where there's
4 access, so they live along the highway, and consequently
5 may utilize it more heavily there, or have done so over the
6 years and so on.

7 Q But that's an impact which is
8 directly related to the access by the construction of the
9 Alaska Highway. Is that not correct?

10 A Yes, but I'm not really able to
11 say because I haven't seen the data. I'm not able to say
12 if the resources were over-utilized along the Highway, who
13 over-utilized them. It may have been the native people
14 themselves living along, because there have been changes in
15 traditional life styles and so on is fairly common
16 throughout the North in the trapping areas that there tends
17 to be an over-utilization around the communities and the
18 settlement areas and under-utilization in the outlying
19 areas. Of course, this is understandable because the price
20 of furs from time to time and over much of the time, have
21 been so low that it is economically impossible for them to
22 go farther afield. There are other reasons which are quite
23 complex.

24 Q Well, subsequent large scale
25 development, such as pipelines, will not in any way assist
26 a larger return of fur sales?

1 corridor area. Is there any reason, in your estimation, why
2 there is such an improportionate amount of fur sales returned
3 from 40 per cent of the Yukon traplines along the corridor?

4 DR. ENGLAND: It was not 40 per cent
5 of the traplines. I indicated when we discussed
6 this earlier, that there may be 40 per cent of the trappers
7 residing in corridor communities. But I indicated at the
8 same time that the only figure I was able to find that
9 attempted to estimate that was a very, very dated figure.
10 1962-63, and nothing updating that that I was able to
11 discover. So all I was able to say was that this may still
12 prevail, 40 per cent of the trappers may reside there,
13 that does not mean they necessarily trap within the
14 corridor. But the data on fur sales from trap lines that
15 are actually crossed by, or within a close proximity,
16 within this ten mile wide corridor on each side of the
17 pipeline; the per centage of fur taken there was as
18 indicated, that is per centage of recorded for -- I don't
19 know how much unrecorded fur there may be. Why it is so
20 small, I'm afraid I couldn't offer you an opinion on
21 that.

22 Q Could it be the previous
23 impact of the Alaska Highway, and other accompanying
24 developments, which scared away the game in effect?

25 MR. MAIR: I would be inclined to
26 question whether it would be the impact of the, say the

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1 A No, I think that, as I think I
2 indicated yesterday, it's just a judgment on my part, I
3 would need to look into it in more detail, but I believe
4 that there must be opportunities in the Yukon to increase
5 fur trade, fur sales, fur returns, but they are not --
6 they would not follow the consequence of the pipeline.

7 My point in raising that issue was that
8 if we were talking in terms of compensation, if damage
9 were done to trapping and fishing and so on, that the level
10 of compensation should not be calculated on the present
11 returns, because I don't believe the present returns reflect
12 the potential. That was my reasoning.

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1 Q Well, let's dwell a bit on
2 the aspect of compensation to trappers. If in fact, there
3 is a definite decline in fur sales along the corridor trap
4 lines, does your panel have any recommendations for first
5 of all, how to assess the compensation that is lost to any
6 particular trapper or trap line?

7 A We haven't really pursued
8 that far enough for me to be able to comment usefully on
9 the matter of techniques. I don't see any particular
10 technical reason why it is not possible to make a judgment
11 that would stand up as to the degree of impact on the degree
12 of loss, occasioned by spill or something of this sort.

13 Q But you would agree that
14 the user of the pipeline route would in fact, or should in
15 fact, provide compensation?

16 A Yes, that is a fundamental
17 underlying principle of many of the things we've said.

18 Q Do you envisage any type
19 of a Board who would assess this loss of compensation or
20 would it have to go through the courts?

21 A We haven't really thought
22 about this.

23 DR. ENGLAND: If I may stay on
24 that for one moment, we did indicate that some
25 thinking with respect to the process and indicated that we
26 thought it should be a very informal process and not an in-

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1 timidating one which would seem to me to be something much
2 lower than a judicial type of process.

3 Q You're acquainted of course,
4 with the Indian type of economy in the Yukon where they
5 trap during the winter months and work in the off-season
6 of trapping and in fact, they have a mixed economy and if
7 in fact, there is significant impact on the trap-lines along
8 the corridor which would greatly disrupt this type of a
9 mixed economy system, would there be any difficulty that
10 you would foresee in assessing compensation for destruction
11 of a way of life or an economy?

12 DR. NELSON: Well, there are
13 examples where people in small communities have come under
14 heavy stress and have been able to adapt in a somewhat
15 different way and still continue to use renewable resources.
16 For example, in the case of the Inuit in the Arctic over
17 the period of the last 30 to 40 years or so, there have
18 been a number of cases in which people have been settled
19 in new situations and brought together from a number of
20 different areas and while there have been great difficulties,
21 they have been able to develop a system which relies to a
22 great extent upon country food, upon trapping, upon fishing
23 and on other renewable resource based activities.

24 That has in many cases, required
25 a lot of support from outside organizations, particularly
26 from the Federal Government which just leads back to the

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1 principle that we are making, that there has to be some
2 kind of substantial support system in order to allow people
3 who are put under heavy stress, to return to something
4 approximating their original situation.

5 I would just make a general comment
6 if I may, on many of the questions that you are raising.

7 I think that in my own mind, they
8 lead back to the notion that you should as soon as possible,
9 be put in a position, through funding or other support,
10 where you can do research and prepare recommendations and
11 present information on these points. I think we as a panel,
12 have had great difficulty and any panel like this will have
13 great difficulty in articulating these concerns and these
14 questions in just the way you would and in putting the
15 points of view forward in just the way you would.

16 I think the decision making process
17 would benefit considerably if you were in a position to
18 ask these questions and begin to do research and begin to
19 present points of views or alternatives to others as part
20 of the discussion that leads to a better decision.

21 Q Now, if I may get on to
22 one area which deals with infrastructure, one area which
23 you had very little time to research as I understand, the
24 area of education and one of your concerns is, there were
25 in smaller communities, parents seeking different standards
26 and educational objectives could disrupt programming geared

1 to particular needs and wants of local residents.

2 Earlier, you indicated that in the
3 O & M phase of Foothills, that there will be a significant
4 population increase in some of the smaller communities.
5 Now, my question is, if in fact the native people in the
6 Yukon Territory wish to adopt their own education system
7 which is not superimposed by the Yukon Territorial Govern-
8 ment, how do you propose or how do you foresee the com-
9 patibility of those two objectives?

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1 MR. MAIR: Well, I can answer simply
2 by saying that, to this point, we have really identified a
3 number of concerns. We see the possibility of problems. We
4 really haven't addressed the matter of what might be done about
5 it.

6 Q So you would have no recom-
7 mendations, in effect?

8 A At the present time, as to
9 how you might go about it, I think that's correct. We just
10 don't have any present recommendations. It's an area that we
11 feel requires considerable research and discussion and so on,
12 because --

13 Q That concludes my questioning,
14 Mr. Chairman.

15 MR. CHAIRMAN: Thank you, Mr. Joe.

16 MR. GOUDGE: Mr. Bayly for the
17 Yukon Conservation Society will be next, sir.

18 CROSS EXAMINATION BY MR. BAYLY Q Mr. Templeton, if I can
19 start with you, please, or you can start with me.

20 You have given some idea to this
21 Inquiry of why you looked at the Alaska situation as an appro-
22 priate analogue and have answered some of the questions of Mr.
23 Morrison, from the Chamber of Commerce. Now I take it that,
24 quite apart from the fact that you rejected the looping of the
25 Trans Canada Pipeline experience in Kenora as being somewhat
26 inapplicable and being a situation where there is very little

1 data to give you a comparison. But there are other similarities
2 between these two pipeline projects, even though one was an oil
3 project and this proposal is a gas pipeline project.

4 MR. TEMPLETON: Well, the Trans Cana-
5 da Pipeline was a gas, it was a gas pipeline that went along
6 the --

7 Q Yes, I'm thinking though
8 that you found other similarities between the Alyeska situation
9 and the present proposal.

10 A Yes.

11 Q And those had something to
12 do with, to start with the similarities in environment?

13 A Yes, there was human and
14 natural environment, yes.

15 Q And with regard to access to
16 the area by either air or by a single highway?

17 A Yes.

18 Q And that there are less com-
19 plicated or less complex infrastructures in place in Alaska and
20 the Yukon then there are in certain parts of southern Canada
21 and the United States?

22 A Yes, very much so.

23 Q And that the amount of in-
24 migration into an area which has a small population relative to
25 the densities that we find in other parts of North America
26 would give other parrallels?

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A Yes.

Q Have you examined as well, the possibility that, although the Yukon may be looking to the south for in-migration, that there may be also significant in-migration from the State of Alaska?

A I don't think we differentiated between what would come from southern Canada and what came from Alaska, just not that far. I'm not sure it has all that significance for the degree of study we're doing, anyway.

Q Now, you isolated in your examination of the Alaskan situation a number of factors, a number of indicators of social change. Perhaps this is a question which you may want to direct to Dr. England or another member of the panel, but did you look at, or were there any studies from Alaska that indicated the inter-action of these factors upon each other?

A Dr. England, I think.

DR. ENGLAND: I'm certainly not aware of such studies, to be quite frank. The Alaskan experience is better documented than many others, but there is no great quantity of documentation and analysis of what actually transpired. In some cases there are some very fine data banks of information, but nobody allocates the funds or the efforts to analyze it at the present time.

Q Dr. England, you had an opportunity to look at the work that Mim Dixon had done for

1 the Fairbanks Impact Information Centre, is that correct?

2 A Yes, her work and her
3 successor's work.

4 Q Yes. I understand one of
5 the complaints that she had was that there was an inadequacy
6 of baseline data in a lot of areas in, that is on a lot of
7 subjects in the Fairbanks area that made some of their work
8 more difficult than some of their other work?

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1 A Yes, I think that is true, and
2 they also had great difficulty getting ongoing relevant
3 information that one would normally anticipate being
4 produced by various government agencies.

5 There was such a time lag, it was not
6 at all current by the time they would get this information.

7 Q She indicated as well, I
8 understand, that ideally an impact information centre, such
9 as the one that was set up in Fairbanks should be set up
10 as soon as possible after the idea that a project may go
11 ahead, has been put forward.

12 Is that something that you would agree
13 with and support in the southern Yukon with regard to this
14 proposal?

15 A Yes, I most certainly would.
16 I think that we have indicated in a number of points in
17 here where there would be a need well before construction
18 began to have good base line data, or otherwise you have
19 great difficulty in assessing the project on an ongoing basis.

20 Q And I gather in your looks at
21 the data available in the Yukon at present that there are
22 areas where it's very difficult to get basic data, even on
23 population figures?

24 A That is correct.

25 Q So that data just doesn't
26 exist in this part of the country, in a lot of areas where

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1 it might be vital, if a change is to be assessed?

2 A That has been my experience.

3 Q Now that impact information
4 centre that was set up in Fairbanks, as I understand it, was
5 not a government agency set up under a department of govern-
6 ment, or under a municipal government; it was set up and
7 funded by a number of interest groups ranging from industry
8 to environmental groups, including government, and it's
9 information was available to all.

10 A It's information was certainly
11 available to all. I stand to be corrected on this, but I
12 think the primary funding agency was the Burrough.

13 Q I think that's correct, although
14 funds, I gather, did come in from agencies, and you may be
15 able to correct me if that is not so.

16 A I am afraid I can't give you
17 a financial breakdown of the funding of the agency.

18 Q Did you get any indication of
19 when the unpublished manuscript you referred to is to be
20 published?

21 A No, I'm afraid I don't know
22 when it is to be published.

23 Q Now, back to you, Mr. Templeton.
24 You've said in a number of areas that social and environmental
25 impacts could be reduced to acceptable levels with
26 appropriate controls and procedures?

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1 MR. TEMPLETON: Yes. That's a general
2 comment, but it refers to a number of the areas that your
3 Board addressed.

A. Yes.

4 Q Now, you have used the term
5 'acceptable' but I didn't understand that you defined as
6 to who these levels should be acceptable?

7 A I think, I may be wrong, but I
8 think we usually said, if not in every case, that acceptable
9 to us. For what it's worth. That's about all we can do.
10 Study it, and say that in our opinion, this is acceptable.

11 Q This may not be the same
12 standard of acceptability that say the interest groups in
13 this Inquiry, or the people living in this Territory might
14 have?

15 A No, that's quite right.

16 Q Some might have a greater
17 tolerance than you, and some might have a lower tolerance.

18 A Perhaps Mr. Gillespie might
19 have even a different tolerance.

20 Q Now, one of the things. We
21 just heard evidence yesterday from the Council of Yukon
22 Indians that expressed some concern that even the controls
23 might be difficult to accept for people in the Yukon, and
24 particularly native peoples, but they find that there is
25 a tremendous number of governmental agencies controlling them
26 already. This by itself may be an impact. Would you agree?

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1 A Yes, of course. It's very
2 difficult, and there are things like for example, the pipe-
3 line company would say that they would not allow any of
4 their employees to hunt or trap or say, fish, in certain areas,
5 for a very good reason that they don't want to deplete the
6 resource. If the native people are working on that, on the
7 project, they would resent having this applied to them,
8 the same with firearms -- so it's a difficult thing to do, but
9 I think we, in any development, I suppose, there's a certain
10 amount of loss of freedom. We all suffer.

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1 Q So, when weighing the trade-
2 offs, it appears that in order to control a development of
3 this magnitude and of this kind, it may be necessary to
4 control those people who are not presently being controlled
5 in certain ways in this area?

6 A Yes, that is absolutely
7 correct. There would be a great deal of control I think,
8 if the impacts are going to be limited and loss of freedom,
9 the main thing is that it be done in such a way that it was
10 going to self-destruct at the end of the project rather
11 than continue on forever like income tax.

12 Q Right and I gather that is
13 something that has never yet happened, this would be a
14 first.

15 A Well, I think perhaps the
16 -- if you're talking about the control agency as separate
17 from the planning agency roles that we've been talking
18 about, that I think that could be set up in the -- when it
19 is set up, it has a self-destruct mechanism. There are
20 a great many things that in the days of C.D. Howe, these
21 crown corporations that he used to set up, usually had that
22 in them and they did stop at the end of the specified period
23 and I think that is essential otherwise adding another
24 number of bureaucracies would be unacceptable I think.

25 Q Now, you're referred in
26 your evidence on the subject of control to the letter at

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1 the beginning of the first volume of the Berger Inquiry
2 report.

3 A Yes.

4 Q And if I can refer you to
5 that again and I think you referred to Roman Numeral eleven
6 of that which starts under the heading, "The Northern
7 Environment. There is a myth that terms and conditions that
8 will protect the environment, can be imposed no matter how
9 large a project is proposed. There is a feeling that with
10 enough studies and reports and once enough evidence is
11 accumulated, somehow all will be well. It is an assumption
12 that implies the choice we intend to make and it is an
13 assumption that does not hold in the North."

14 Is that statement one that you can
15 agree with?

16 A Yes, completely.

17 Q So that even though the
18 controls that you might propose and the fact that we may
19 be building this-with an entire staff of men of goodwill,
20 they may not be able to control the project to obviate all
21 impacts and that no matter what happens, some of the impacts
22 will not be acceptable or will be difficult to tolerate to
23 some of the people?

24 A Yes, I think the quotation
25 refers more to the spelling of the controls as separate
26 from the implementation, but I think I agree with your

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1 further statement is that things don't always go the way
2 you expect them, in fact, Murphy's Law if it applies any-
3 where, certainly applies in the North that if anything can
4 go wrong, it will go wrong.

5 Q And I take it that although
6 we talk about tradeoffs, the people who may and be --
7 environment that may suffer from those tradeoffs, is where
8 the project takes place, by and large, rather than outside?

9 A Yes.

10 Q Now, that brings me to the
11 question that Mr. Joe for the Council for Yukon Indians has
12 already looked at, that is compensation for trappers and
13 fishermen and both Mr. Mair and Mr. Nelson have touched on
14 that slightly.

15 I'd like to ask you one question
16 about it though. One of the problems that was encountered
17 in questioning at the Mackenzie Valley Pipeline Inquiry,
18 was that it may be difficult, particularly in areas where
19 there is no base-line data on populations of furbearers or
20 fish, it may be very difficult to attribute the loss to
21 a pipeline related or a project related activity, would you
22 agree with that?

23 A Yes.

24 Q And that as I recall, one
25 of the Applicant's witnesses, Dr. McCart, in that inquiry
26 said, in order to prove loss, it would be necessary to show

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1 him some dead fish.

2 A Well, I completely reject
3 that.

4 Q I realize that that may
5 not be acceptable but that is one standard of proving loss
6 and you would say that is inadequate?

7 A Yes.

8 Q Now, where you don't know
9 where the spawning beds are or where you don't know what
10 the population fluctuations in the natural state are, I
11 take it it is very difficult to say whether damage has been
12 done at all and if it has, whether it is related to a
13 project activity?

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2 A Yes, I think the whole
3 thing is onus of proof, again, and I don't accept that
4 somebody has to always prove without a shadow of a doubt that
5 the environment has been damaged in some way. I think there
6 has to be a more informal system devised to try and evaluate
7 these in whatever means you can. It may only be subjective,
8 but I think it has to be done that way.

9 Q I take it relies though
10 on the goodwill of the compensator to make this informal
11 procedure work.

12 A Yes, but there's ways of
13 sort of ensuring that, and one of the ways would be to have
14 a, say a one percent performance bond, one percent of the
15 construction cost posted that there be a means by which damages
16 could be, could be adjudicated on a somewhat informal basis
17 and a claim made on it.

18 Q Some of these things become
19 more difficult as you get into the problems of triggering say
20 a decline in the population of a caribou herd. Maybe a
21 project-related activity is only a contributing factor along
22 with harsh conditions or say a poor calf crop year that might
23 trigger a far greater decline than the company might feel it
24 should compensate for.

25 A Yes, that's absolutely true.
26 But if the project is monitored as it goes along, it is properly

A Yes.

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1 Q And I take it that even
2 though you have taken steps to look at a broader ban than
3 perhaps the Foothills people have, that you are in a sense
4 responding to what they have proposed.

5 A Yes.

6 Q And that you would see the
7 examination of a much broader band than they have.

8 A Yes. I would like to see
9 the, I would have liked to have seen at the initial Mackenzie
10 Valley corridor, not the, not occur as a the Mackenzie Valley
11 corridor but as a means of transporting gas from both Prudhoe
12 Bay and the Mackenzie Delta to Southern markets, and had they
13 discussed corridors at that time, including this one and the
14 Yukon one, and one on, say each side of the Mackenzie River,
15 as a corridor instead of a route, the decision probably could
16 have been made as to how the best way, the best corridor could
17 have been chosen, and then within that corridor could have
18 been routes selected and not spent all the time on the details
19 of a route before the corridors had been selected. I
20 feel that it's too bad to find that at this stage, starting on
21 an Alaska Highway route after all these years of discussing
22 the details of routes on the North coast.

23 Q I take as well that there is
24 in your mind no conclusion that the Alaska Highway provides
25 an appropriate corridor for an oil pipeline or a gas pipeline
26 or a hydro transmission route.

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1 A Well I think it was always
2 obvious that it was one of the corridors that should be
3 considered. But there has never been a comparison done, . an
4 adequate comparison in my opinion, done of the corridors.
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1 Q And one of the things that
2 came up again in the other Inquiry, and is in this letter on
3 the next page. I ask you to tell me whether you think this
4 would apply to the Alaska Highway routing as well. The
5 paragraph on the Northern Yukon. It says that "the Arctic
6 Gas Pipeline would carry gas from Prudhoe Bay, Alaska to
7 markets in the lower 48, would cross this region either along
8 the coastal route, or as a second choice, along the interior
9 route. Once a gas pipeline is approved along either route,
10 exploration and development in the promising oil and gas
11 areas of Northern Alaska will accelerate and it is
12 inevitable that the gas pipeline would be looped and that an
13 oil pipeline, a road, and other developments will follow."

14 Now, we already have a road in this
15 proposed corridor, but do you feel that the other facilities
16 that Mr. Justice Berger felt would follow a gas pipeline
17 may also follow a gas pipeline along the Alaska Highway
18 alignment?

19 A The pipeline guidelines of
20 the Federal Government definitely contemplate that when a
21 corridor is established that it will be a corridor for these
22 other facilities. I would gather from reading his report
23 that he felt that it was almost inevitable that it would
24 be used. I think he mentioned that petroleum reserve number
25 four in Alaska has good potential for oil, and I suppose
26 there is a reasonable possibility that wherever the gas line

1 is that an oil line might follow.

2 Q Would you feel then that it is
3 realistic for this Inquiry to assume that those same
4 possibilities exist in the Alaska Highway corridor?

5 A Well, that is a problem. I
6 took the attitude on the Berger Hearings that if enough
7 pressure was put, that it, say that a corridor would not
8 be acceptable on the North Coast, and he didn't feel,
9 obviously, that that was possible. That the oil line would
10 follow, and the exploration and all the rest of it.

11 I don't know whether Canada could, or
12 would, I think it can, but would it restrict the permission
13 to build an oil line down the Alaska Highway. I don't know.

14 Q Your group did not consider
15 that as a possibility at least for the purpose of the
16 recommendations it made to this Inquiry?

17 A No.

18 Q Nor did it consider the
19 possibilities of hydro-electric transmission lines in the
20 same adjacent areas?

21 A No.

22 Q You would agree, though, that
23 those might have a multiplying or synergistic effect on
24 both the environment and the people in the area, if in fact
25 it became an energy corridor, rather than just a route for
26 a gas pipeline?

1 A Yes. I'm not sure that they are
2 necessarily all negative. It depends on the timing to a
3 large degree of when these things occur. For example, if
4 you could get a pipeline, if you could stage pipelines over
5 a long period of time, it could present continuing employment
6 and be somewhat good, but I don't really think that pipelines
7 are of that character. They are always -- once the decision
8 is made to go, they are a very rushed sort of a thing, and
9 then there is a long period when there isn't any, and they
10 start again.

11 Q Now with regard to looping,
12 there might be a varied answer to that question, that in
13 fact looping might commence, depending on gas volumes,
14 within the decade following completion of the construction
15 of the trunk line?

16 A Yes, I think Mr. Horte of
17 Canadian 'Arctic Gas said that looping was inevitable. I have
18 never accepted that, but it's possible that it is.

19 Q And when you were looking at
20 this route, this corridor, this band of territory, did you
21 consider whether it was an appropriate area in which to
22 loop a facility, as well as to run a facility?

23 A Well, we've looked at that, and
24 I don't think we are at the stage of being able to say that
25 it can be. There is a particular area around Sheep Mountain
26 and the Kluane Lake area that is very difficult. I don't

1 whether there is a way around that area or not, but --

2 Q I gather that is a very narrow
3 band and the Highway runs right next to the mountain,
4 between the mountain and the lake?

5 A Yes.

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1 A Yes. There may be other
2 areas as well. We haven't really got into all those details.

3 Q Have you dealt with, in your
4 discussions as a group, the apparent contradiction anyway that
5 the pipeline follows basically the alignment of the Alaska
6 Highway, that in much of its length it is a considerable dis-
7 tance from the Highway and may not be able to use the Highway
8 as an assistance or as an logistic aid in staging and construc-
9 tion?

10 A Well, I don't think it's that
11 far away from the Highway. There are some divergences. I
12 think it can use the Highway in most places.

13 Q Would you feel that it will
14 use the Highway in most places, if at all possible?

15 A Yes.

16 Q Have you considered whether
17 the present Highway can, without alteration or addition or up-
18 grading, provide the logistical assistance that the applicant
19 will require?

20 A I think there will be a
21 greatly increased maintenance.

22 Q Do you anticipate that it
23 would require widening in order to provide the logistic sup-
24 port as well as the present traffic?

25 A No, I don't think so.

26 Q I understand there's a

1 scheme afoot to pave the highway.

2 A I think that paving is plan-
3 ned to start on the Haines Road at the Alaska border and
4 continue northward to the Alaska border beyond Koidern.

5 Q Did you have an opportuni-
6 ty to consider the possible added effects or multiple effects
7 of having highway paving and pipeline construction going on at
8 the same time?

9 A Well, I think that would be,
10 that would have a synergistic effect all right, if it were to
11 be done at the same time and the question, the concern I had
12 was that the paving, as I understand it, is on monies voted by
13 Congress in the United States and the paving, I assumed, would
14 be done at their convenience when they had the money and that
15 this project might not, might go on at the same time, which is
16 a concern to me, but, I don't have an answer.

17 Q Now, you've said that the
18 Highway is close enough to provide the logistic support in
19 virtually all areas. Do you have an opinion as to whether it
20 may be too close in some areas? I understand that there is
21 an area between Burwash Landing and the Alaska border where
22 there is, there are between seven and nine crossings of the
23 Highway and a number of other places where the pipeline is
24 virtually adjacent to the Highway.

25 A Yes, there are a lot of
26 crossings in that area. I'm not sure that that's all that --

1 I think you want to stay away from the Highway as much as you
2 can, but the codes require considerably greater wall thickness
3 and protective measures. I don't think there's that big a
4 risk of public safety, although there is always the risk, but,
5 for example, the Trans Canada Highway crosses a great many
6 times, the Trans Canada Pipeline crosses under the Trans Canada
7 Highway.

8 Q Quite apart from the question
9 of safety, if the right-of-way is adjacent to the Highway, do
10 you see some possible aesthetic problems, given that the High-
11 way does provide an incentive for tourists to come into this
12 part of the country?

13 A We had, we took a look one
14 time at how we viewed the aesthetics of the Trans Canada
15 Pipeline and we got every, I think there was eight of us and
16 we got eight, or at least twelve different opinions, I suppose.

17 Q Some of you had more than
18 one.

19 A I, you know, it doesn't,
20 aesthetically, it doesn't present - - the biggest problem, I
21 suppose, in some, in many areas as these seismic lines that
22 are, that look a lot alike. That's when you see miles and
23 miles of crossing of seismic lines from the air in particular,
24 you don't notice as much from the ground.

25 Q Is that because, in the
26 Trans Canada Pipeline examples, it may be more acceptable to

1 see activities of man than in --

2 A You mean we may be condition-
3 ed to them around Winnipeg, the activities of man?

4 Q Well, I wondered about that.

5 A It's possible.

6 Q One of the other possibilities
7 /of the compulsion
to build pipelines adjacent to, or close to highways, is the
8 recent suggestion that the Dempster Highway may provide a
9 lateral for bringing Mackenzie Delta gas to link with this
10 Alaska Highway Pipeline.

11 A Yes.

12 Q Now, I wonder if the Board
13 or whether you, as an individual, have given thought to this.
14 I realize we did address this subject in front of Mr. Justice
15 Berger, but it hasn't come up here yet and have you some
16 thought on whether that lateral should be considered and what
17 the problems with it are. I see you've prepared yourself an
18 answer,

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1 A I just happen to have --
2 Q You're glad I asked you
3 that question.

4 A We wrote this here and we
5 tried to contact Dr. Ian McTaggart- Cowan, the other member
6 of the Panel, but we weren't able to get him but we have
7 no reason to believe that he doesn't agree with this, be-
8 cause we've discussed it informally before and it is as
9 follows and I'll read it.

10 "We recognize that the national decision of
11 a gas pipeline through the Western Arctic
12 may be made before some routes have been
13 thoroughly researched. One of these is the
14 pipeline route along the Dempster Highway.
15 We support discussion and research of the
16 route if for no other reason than to bring
17 out the risks inherent in using that route,
18 but we oppose acceptance of the Dempster
19 Highway as a viable route to bring Delta Gas
20 to hook up with the proposed Alaska Highway
21 Pipeline at this time. Our reasons are as
22 follows:

23 First, virtually no research is available
24 on the environmental setting, the project
25 description nor the anticipated impacts.

26 Second, introduction of a large number of

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1 pipeline workers as well as others, that will
2 follow along a public road, would likely
3 cause serious and what to us is unacceptable
4 change. Not only the pipeline workers but
5 the improvement of the roads and the facilities
6 will add additional risks. The porcupine
7 caribou herd is endangered anyway by the very
8 presence of the Dempster Highway and any large
9 influx of people, many of whom cannot be con-
10 trolled by the pipeline company, could cause
11 depletion or alteration to the herd or its
12 migration patterns.

13 The Porcupine Caribou herd is not only a
14 rare but natural phenomenon that should be
15 preserved for its own sake but is inextricably
16 linked with the culture of the native peoples
17 in both the Yukon and Northwest Territory.

18 Carbon-dating of a skin scraper made from
19 a Caribou bone, shows that the people of the
20 Old Crow area have been using Caribou for
21 thirty thousand years. We must not risk the
22 destruction of this cultural link with the
23 past.

24 Number three, there is an alternative to
25 the Dempster Highway and the Mackenzie Valley
26 Route, however, we agree with Mr. Justice

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1 Berger when he stated in the conclusion of his
2 report, 'Time is needed to settle native claims,
3 set up new institutions and establish a truly
4 diversified economy in the North.'

5 He estimates that this will take ten years
6 and we respect his judgement in this estimate.
7 Whether the Mackenzie Route is better or worse
8 than the Dempster, we do not know, but at least
9 there are options.

10 Number four, if at a later date it can be
11 proven that a pipeline along the Dempster High-
12 way is acceptable to Canadians, including the
13 native people affected by the route, we would
14 revise our stand on this issue but we are
15 opposed to a tacit acceptance of the Dempster
16 Route at this time.

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1 Q I gather one of the problems
2 that may arise on the Dempster is that because the Porcupine
3 Caribou Herd winters in that area, and crosses the Highway
4 in its two annual migrations, that lack of policing of
5 people using the Highway may cause overhunting and
6 disturbance of the migrating animals?

7 A Yes, I think it's lack of
8 management in general, but there may even be other things.
9 Nobody knows really why the Caribou Herd in Manitoba
10 stopped crossing the Hudson Bay Railroad line, but they
11 did.

12 Q Now, is there any way that
13 you can think of to control access to a highway, either
14 the Alaska Highway or the Dempster Highway, because both
15 will be -- are contemplated? Not to obviate the disturbance
16 because as you say, we don't know very much about it, but
17 at least to take those things we know might happen, and
18 minimize the effects of them?

19 A I guess that you could
20 declare it a permit type of road, such as they do in
21 wartime, or they do in some places for fire, to prevent
22 forest fires, but I think we have some serious doubts about
23 whether Canada would ever do that. If they are not going to
24 do it, there's no use -- all you are doing is saying they
25 should do this, and then you predict your impacts accordingly
26 and then find only that they won't do it. I suspect that

1 making the Alaska Highway a permanent road, with everybody
2 having to have a permit to get on it would be pretty
3 difficult to do.

4 Q Now, one of the problems with
5 the Dempster that I would suggest to you that hasn't been
6 mentioned in your statement, is that it does travel close
7 to or through the Eagle Plain area, which is an area of
8 gas and oil potential, and any activity, such as a pipeline
9 might stimulate the same kind of development you anticipated
10 being stimulated in the Petroleum Reserve Number Four, for
11 example.

12 A Yes, although I don't think
13 the reserves are any longer considered that good in the
14 Eagle Plains area. I'm not sure. I guess I'm just talking
15 hearsay, and I don't know.

16 Q Yes. But if there's any
17 potential, one would expect that it would be explored, would
18 you agree with that?

19 A Well there has been some
20 exploration in there. There are a lot of seismic lines
21 in there and a few drills, a few holes have been drilled I
22 believe.

23 Q Would you anticipate that if
24 that lateral were used to bring Mackenzie Delta gas to the
25 trunk pipeline that that might also provide a corridor for
26 an oil pipeline if oil were found in any quantity in the

1 Mackenzie Delta? A Yes, I think probably that's
2 right.

3 Q And is that one of the added
4 problems?

5 A Very definitely.

6 MR. CHAIRMAN: Mr. Bayly, will you
7 be a few minutes more?

8 MR. BAYLY: I will be a few minutes,
9 sir, and I wonder, and it's just 12:30 now, and I'd like to
10 explore this area a little more but after some consultation,
11 and then I have two or three more areas with a few questions
12 in each.

13 MR. CHAIRMAN: Alright, we'll adjourn
14 in a moment. Mr. Goudge, may I ask if you're as confident now
15 as you were at the end of the day yesterday?

16 MR. GOUDGE: No, sir, unfortunately.
17 I wonder if we might contemplate cutting fifteen minutes off
18 our usual lunch break and try to get back here promptly
19 at quarter to two?

20 MR. CHAIRMAN: I take it, there is no
21 problem with that by anyone here, so we'll reconvene at 1:45

22 (PROCEEDINGS ADJOURNED)
23
24
25
26

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. GOUDGE: I think we're ready to
3 start now.

4 Mr. Bayly?

5 MR. BAYLY: Mr. Templeton, on the
6 subject, again, of the caribou in the Interior of the Yukon,
7 in the area of the Dempster Highway. There is, in the report
8 of Mr. Justice Berger, on Page 42, a statement concerning the
9 possible impacts that might be experienced by caribou on the
10 Interior route, and I'd like to read you that paragraph and
11 ask you if you would feel those same considerations and same
12 impacts might affect caribou if a pipeline were built along the
13 Dempster Highway.

14 I quoting here, "Construction and
15 operation of the gas pipeline along the Interior route could
16 have impacts on caribou, caused by the presence of people, op-
17 eration of machinery and vehicles, aircraft noise, and des-
18 truction of habitat by fire. Migrating caribou could be
19 deflected from their normal migration routes by construction
20 or other activities along the pipeline or access roads, and, in
21 the absence of disturbing activities, caribou might follow the
22 cleared right-of-way or roads.

23 "These departures from normal migra-
24 tion patterns could have adverse effects on the herd itself
25 and could cause difficulty for the native people who hunt the
26 caribou according to their traditional migration pattern.

1 A gas pipeline along the Interior
2 route and access routes on the Dempster Highway to the pipeline
3 would open up to hunters from outside the area, large parts of
4 the fall and winter range of the Porcupine herd that are now
5 accessibly only to the people of Old Crow.

6 If there were a substantial increase
7 in the number of caribou killed by outsiders, caribou harvest-
8 ing by the Old Crow people could be effected and over the long
9 term, the overall size of the herd could be reduced."

10 A Yes, I agree with that.

11 Q And you feel, I'm sorry.

12 A I think it may, I think the
13 Dempster route, although the highway is there and you can't
14 blame the pipeline for that, but, I think it may be even more
15 significant in the effect on the caribou because it goes
16 through the winter range, rather than the migration route. The
17 Interior route was, crossed the migration, mainly crossed the,
18 most of the animals just crossed the route so that you could
19 shut the operations down, construction operations down during
20 it, but, the Dempster Highway goes right through it and the
21 introduction of people there to shoot them in the wintertime
22 is, can be much more serious.

23 Q Now, I gather that you're
24 acquainted with the evidence that was given by caribou biolo-
25 gists sent to the Mackenzie Valley Pipeline Inquiry and in
26 particular the evidence of Dr. George Calef.

1 A Yes.

2 Q Dr. George Calef said a number of things about other highways,
3 and I wonder if you could tell me whether in your opinion or
4 in the opinion of Dr. Mair, or other members of the Panel,

5 these may apply to the Dempster Highway and an alignment
6 along that highway. He says at 16,196 of the transcript of
7 that Inquiry, "we must now ask did the disturbances and hunting
8 which the herd experienced on the Steese Highway cause it to
9 abandon its calving ground. The answer is, we don't know."

10 I gather that the concern of the biologist expressed in that
11 statement and other like statements was that they couldn't
12 even tell what the problems were, where they had been able
13 to document declines.

14 MR. MAIR: Yes, I think that's correct.

15 A great many unknown, I think is evident from the testimony
16 at the earlier hearings that some believe that calving
17 grounds are the most vulnerable, the weakest link in the chain.
18 Some that it's the wintering grounds, some say it's the period
19 of migration. What that adds up to in essence, is it's
20 judgmental but there's a great deal we don't know about what
21 truly does cause declines or changes in the herd.

22 Q And is it also true, Dr.
23 Mair, that most people in the field are in the position of
24 whether they hold one theory or another, realizing that they
25 don't have the answer, that the other theories may well be as
26 true as their own?

1 A Yes, I believe that's
2 correct. Myself, I incline to say that the calving grounds
3 are the most sensitive areas, but I would freely admit that
4 the others are correct, because we simply don't know yet.

5 Q Now, one more passage here
6 which I'd like you to comment on with regard to the Dempster,
7 and it's a passage which is paraphrased in the evidence of
8 Dr. Calef again from his report to the Environment Protection
9 Board which you, Dr. Templeton, were associated with with regard
10 to a study of the other pipeline proposal. And this is found
11 at 16,240, where Dr. Calef says as follows: "In my final
12 report for the Environment Protection Board, I made the
13 statement that the Porcupine Caribou herd could decline by
14 as much as 90 percent in 5 to 10 years. Such was the fate
15 of the Forty Mile herd and such was the fate of the Nelchina
16 herd in Alaska. Whether the declines of these herds can be
17 attributed to the development from activities of man is not
18 entirely clear to me. But that 90 percent decline of such,
19 of great caribou herds did occur is unequivocal. I do not
20 think that we are in a position to say that the proposed
21 Canadian Arctic Gas Study Limited pipeline will not produce
22 or contribute to similar declines in the Porcupine herd. And
23 when we're dealing with 115,000 animals, with one of the last
24 wildlife spectacles on the face of the earth, for with a very
25 important part of the culture and the history and the current
26 well-being of the Native people who have inhabited this

1 continent for at least 25,000 years, who are the representa-
2 tives of a group of animals whose lives have been part of the
3 world of human beings for tens of thousands of years both
4 here and in Eurasia, I feel that we have an awesome responsi-
5 bility to proceed slowly and cautiously with projects which
6 may ultimately destroy them." Now that statement seems to
7 include some of the things you were mentioning this morning,
8 and I invite you to agree that there are, that they all apply
9 to the Dempster lateral, as well to the routes that were
10 being proposed by Canadian Arctic Gas at the time of the other
11 Inquiry.

12 A Yes, I agree with every-
13 thing you said. I think I'd have added not only the gas
14 pipeline, but the Dempster Highway, as a highway itself. I
15 think Calef, perhaps didn't say it there, but I think he said
16 in other evidence, and came right through all the way through
17 that the Dempster Highway was a very great risk to that herd.

18 Because of the incidence of people and guns and machines
19 of one kind or another, is going to be, is the real
20 risk to the herd, and the highway is a greater risk than the
21 gas pipeline.

22 Q Now, either you or Dr.
23 Mair may have response to this question, but I understand that
24 that herd as well is a resource that is the shared responsi-
25 bility for both the Canadian and the American Governments.
26 In fact its range crosses the International Boundary.

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1 Yes. The range of that
2 particular herd does include on occasion at least, forays
3 into the Alaskan side of the boundary but it is recent
4 research so I understand, and I have to say I understand
5 because I've not had the opportunity to read it yet, has
6 indicated that there may be a greater exchange between that
7 herd and some of the Alaskan herds that have previously
8 been understood.

9 Therefore, we have to consider the
10 Porcupine herd in the context of the total populations in
11 that area which raises the point of how much risk you dare
12 take with a population.

13 Q You're referring to the
14 recent thesis and some not so recent that the forty mile
15 herd may have disappeared into the Porcupine herd and that
16 a portion of the Western Arctic Herd may have also recently
17 joined the Porcupine herd.

18 A Yes.

19 Q I gather then that you're
20 also saying that we may be as Canadians, trustees for a
21 resource that crosses for long periods of time, international
22 boundaries and maybe using the area of the Dempster Highway
23 as its wintering ground, even though it may eventually split
24 off again and go back to Alaska.

25 A As I say, I've not yet
26 had the opportunity to read the research so I'm only con-
veying what I understand from secondhand but I would say you

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1 are correct.

2 Q Turning to another subject
3 and following on the questions that I addressed to you, Dr.
4 Templeton, with regard to aesthetics and I won't ask you
5 anymore about whether looking at pipelines is good for the
6 eyes or not, but would you agree with me as a Panel, that
7 although difficult to equate in actual dollars, the tourist
8 business is very important to the Yukon Territory?

9 I'm getting a nod from Dr. Fox.

10 MR. TEMPLETON: Oh, Dr. Fox --
11 Irving?

12 MR. FOX: I'm sorry.

13 MR. BAYLY: You were just nodding
14 off were you?

15 MR. FOX: About all I can say
16 is that I do understand that the tourist business is
17 important to the economy of the Yukon. We have not, as our
18 report indicates, made a special study of that so far, yes.

19 Q And the highway is an
20 asset to the tourist business -- an asset to the tourist
21 business as well, you'd agree with that?

22 MR. FOX: Certainly.

23 Q Do you have any infor-
24 mation that came from Alaska as to whether the attitudes
25 of tourists or the number of tourists that came to Alaska
26 was affected by the publicity in the southern part of the

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1 United States and Canada about the devastation that was
2 taking place in Alaska as a result of the building of that
3 pipeline?

4 A I don't have any infor-
5 mation, possibly Dr. England does.

6 Q Dr. England, do you have
7 any information on that?

8 DR. ENGLAND: I just made very
9 limited inquiries with respect to that during my trip to
10 Alaska and I really couldn't find much in the way of sub-
11 stantive information on that subject.

12 Q I see. Were there
13 attitudes expressed in Alaska that people at least perceived
14 a difference in the tourist business as a result of that?

15 A Again, I'm afraid I can't
16 answer that. I don't know.

17 Q You didn't come across
18 any in any event?

19 A No, I did not, but as I
20 say, I didn't make great inquiries in that direction either.

21 Q I take it that if this
22 did become a corridor for energy facilities and if an oil
23 pipeline were built in the vicinity of the highway, it would
24 be much more difficult to conceal that than it is to conceal
25 a gas pipeline which would very probably be buried in most
26 areas?

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1 MR. TEMPLETON: Well, I guess
2 there is the difficulty of concealment because in the
3 Dempster Route, there is a great percentage of excess ice
4 along most of it, so that in all probability, a great
5 portion of it would be above ground so it would be much
6 more visible, but of course, if there is an oil spill,
7 it has -- it brings a whole new set of aesthetic values into
8 play.

9 Q And you didn't, in your
10 environmental studies in this Panel I take it, look at the
11 corridor that was defined by you with regard to the possible
12 effects of oil spills from an oil pipeline?
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1 A You are talking about the Alaska
2 Highway, not the Dempster?

3 Q Yes.

4 A No, we didn't.

5 Q Did you look at it from the
6 point of view of areas that might be highly impacted by
7 oil spills as a result of the construction of a gas pipeline
8 from bladder tanks, field storage, et cetera?

9 A Well, that's part of the
10 business of predicting impact. I think there was enough
11 work done on the Mackenzie Route to be able to say with a
12 few exceptions, like upstream of the Mackenzie Delta, but
13 ordinarily there was enough means by which you could control
14 it. In other words, the Environment Protection Board's
15 environmental code, we specified in considerable detail
16 what you had to do about your construction oil supplies and
17 the dykes around the tanks, and this sort of stuff.

18 Q And that, I take it will be
19 the sort of thing that we'll see, among others in the Atlas
20 that you intend to produce and the code you would be
21 producing for this route as well?

22 A Yes.

23 Q Dr. England, in your evidence
24 you did mention recreation. From your own research and from
25 the studies you have had an opportunity to see, and from the
26 evidence supplied by Foothills, can you tell us how much is

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1 really known about recreation and the recreation potential
2 in the area of the proposed pipeline?

3 DR. ENGLAND: I indicated in the Report
4 that we did not examine that particular parameter in any
5 detail. So I have very little knowledge of the potential in
6 that regard.

7 Q I take it from that then that
8 you also found the application not particularly helpful
9 in that regard?

10 A Yes, that is correct.

11 Q Now, if somebody were to ask
12 you to do a study of the recreation potential in the area of
13 the proposed pipeline, what sort of lead time do you think
14 you would require to prepare that kind of a study?

15 A Oh, if I could just step back
16 one bit here, earlier mention was made with respect to the
17 definition of what constitutes recreation to different people,
18 it's a different thing. It would seem to me that it would
19 be something that could take several months, in fact, assuming
20 on the one hand that you were attempting to evaluate the
21 landscape components as potential recreational resources,
22 that might be attracted to non-residents, a different type of
23 experience, but then the types of resources that are of
24 value to residents, that is another question. That could
25 vary considerably along the corridor from community to
26 community, because I would make no pretense about pretending

1 to understand what the people in a particular corridor
2 village would value as a recreational resource.

3 Q So you think that would take
4 several months, and that would include having to define for
5 the purposes of residents and outsiders alike, what recreation
6 needs and desires were?

7 A Yes, and in the case of
8 recreation here, I'm looking at it primarily -- the definition
9 I put on that is not as a commercial venture. When you add
10 the commercial component, then you are into tourism, and
11 that is another component.

12 Q You're thinking of the use of
13 the outdoors per se?

14 A That is correct.

15 Q Mr. Templeton, we went over
16 the similarities between the Alaskan and Yukon situations.
17 Did you or members of your panel find any, apart from the
18 more sophisticated infrastructures, did you find any great
19 differences in the analogy that you had made in the Alaskan
20 situation?

21 MR. TEMPLETON: This is with respect to
22 what, I'm sorry?

23 Q Well, you used the Alaskan
24 experience of building the pipeline and the influx of
25 people and how they handled it, as a yardstick for predicting
26 what may happen in the Yukon --

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1 DR. ENGLAND: Yes.

2 Q -- did you find any areas
3 where you thought there just was no application or very little
4 application? Are there any "it can't happen here"'s?

5 A I'm afraid I can't answer that
6 question. The time span was so short, the Inquiries were
7 quite specifically directed, and they were directed very much
8 at the parameters we had defined, and in the case of those
9 parameters there are certain elements of those parameters
10 I don't think apply here, like when you get into the public
11 safety question, for example, as I indicated in here that
12 Fairbanks had a problem maintaining it's police force
13 and this sort of thing. I also indicated here that -- in
14 this context, that the same problem might not exist given
15 the nature of the enforcement structure with the R.C.M.P.

1 Q Were there any others that
2 you came across? That's one example?

3 A I can't think of any off-
4 hand.

5 Q I wonder if you'd be willing
6 to, if you did think of any, perhaps to send a letter to the
7 Inquiry, with copies to the participants so that we could have
8 the benefit of any second thoughts that come to you?

9 A Yes.

10 Q With regard to the documen-
11 tation of the impacts of the pipeline in Alaska, did you find
12 in your investigations that there were things that you would
13 like to see done differently here to monitor the effects of
14 the pipeline, if it's built down the Alaska Highway?

15 A To monitor the effects or
16 control the effects?

17 Q Well, both.

18 A Well, I think what we, the
19 conclusion that I reached, basically, is that there seemed to
20 me that there was surprisingly little done in Alaska and it
21 was a tendency to respond sort of after the fact of certain
22 blatant problems, but that many of the problems would just
23 take their lumps and live with it and there had been no pre-
24 planning to cope with them and many of them hadn't been anti-
25 cipated.

26 Q And you'd encourage both

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1 government and industry not to take that approach in this
2 Territory?

3 A I would, yes.

4 MR. TEMPLETON: I think that, Mr.
5 Bayly, we have suggested all the way through that this control
6 mechanism is the key to whether the pipeline is acceptable or
7 not and it takes time to set it up, decide what has to be done
8 to set the enforcement mechanisms up so that
9 anything that we would recommend would have a time-lag in
10 there to set up the means of controlling.

11 Q When should government have
12 started setting this up, with regard to this proposal?

13 A Well, I think that it's going
14 to take at least 18 months to two years to staff the agency,
15 that's the minimum time. There is a report, I could give you
16 the number of it, it's an Environment Protection Service Report
17 that Mr. Doyle did for them as to the kind of staff this was --
18 this was on the basis that as far as environmental matters were
19 concerned, that a single agency would control environmental
20 matters, control the whole government operation in that field.
21 It doesn't include the planning things that we were talking
22 about this morning, but the control mechanisms.

23 This is published in an Environment
24 Protection Service Report, but I can't remember the number
25 right now.

26 Q Perhaps I --

MR. CHAIRMAN: May I just interject with a short question, at this point? By way of clarification, you speak of single agencies to concern itself with environmental matters. Are you using environmental in this context to include human environment, social and economic?

A I'm sorry I didn't make that

1 clear. I transferred my in the Mackenzie Valley, we consider-
2 ed the environment as only the natural environment, we didn't
3 include the human. In that case, that agency was a natural
4 environment.

5 MR. CHAIRMAN: Thank you.

6 A So that putting in the human
7 environment into it would, I think, extend the time.

8 MR. BAYLY: I wonder, with regard
9 to that report, if you could supply the number of, perhaps to
10 Commission Counsel and then the board could have the benefit
11 of that report at hand if they want to consider it?

12 A I have one copy here and I'll
13 leave it with Mr. Goudge.

14 MR. GOUDGE: Thank you.

15 MR. BAYLY: That was the one that I
16 believe was tabled at the previous Inquiry?

17 A Yes.

18 Q A question of definition,
19 perhaps, Dr. England, you could respond to this one. With
20 regard to social indicators, which are things that you have
21 referred to in some of the evidence you have presented, I
22 gather that they're called social indicators, not because it's
23 always clear what they indicate, other than change?

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1 DR. ENGLAND: That is correct, they are
2 guages of change. They are not the cause and effect mechanism
3 identification.

4 Q The problem with
5 them is that you require to know what went on before so that
6 you could measure the change?

7 A Yes, that is correct. You need
8 to develop a great deal of insight into all the factors that
9 were at play.

10 Q And that taking the changes, at
11 first separately, but bringing them together, they may be
12 able to allow people to theorize as to what is actually
13 happening or what is causing the changes.

14 A Yes, I would say that is true.

15 Q Now, going back to your
16 agency, Mr. Templeton, just for a couple of questions. In
17 your opinion, would the agency require either the participation
18 or co-operation of the Territorial as well as the Federal
19 Government?

20 MR. TEMPLETON: Yes, of course.

21 Q And would you envisage that
22 people in the employ of either of those governments would be
23 put on to the staff of the agency or that it would recruit it's
24 staff outside the ranks of the present government bodies?

25 A Well, I think it would be both
26 ways. But, the Territorial Government will be faced with

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1 extreme pressure to do -- to handle the influx of people.
2 Whereas you want them to participate in every possible way
3 because of their experience, you would be limited with whether
4 they could afford to be seconded off the Territorial Government
5 regular duties to do this. So it's a real management
6 problem to shift the staff around to be able to control it,
7 because there just aren't enough people in Canada available
8 and knowledgeable to do all the things that are necessary.

9 Q That is all the questions I
10 have. Thank you very much, gentlemen.

11 MR. GOUDGE: The next is Mr. Taves for
12 Canadian Arctic Gas.

13 CROSS-EXAMINATION BY MR. TAVES:

14 MR. TAVES: Gentlemen on page 600 of
15 your study under the heading 'Employment', when you are
16 discussing the benefits that would accrue to the Yukon as a
17 result of employment, you state that any attempt to include
18 a discussion of employment multiplier would be misleading and
19 you give the various reasons, therefore. However, my
20 question is I'm wondering whether or not when discussing
21 other aspects of socio-economic impact; public health, cost
22 of living, inflation, acculturation, whether the multiplier would,
23 in those cases be relevant, as a tool to project indirect
24 and secondary employment, plus dependents, and accordingly
25 as a tool to project total population increase in order to
26 more accurately measure those kind of impacts?

1 DR. ENGLAND: Yes, that's true. The
2 reference here particularly is to the short term nature of
3 many types of jobs created would disappear as quickly as the
4 pipeline jobs disappear.

5 Q And that refers only to the
6 benefits of direct employment in this -- as you use it here?

7 A Yes, and as we use it there,
8 which we measure in terms of decrease of unemployment.

9 Q Yes. And I presume you would
10 agree that a multiplier such as this would be relevant in
11 both the construction and the operations and maintenance
12 phase when attempting to assess the impact that the population
13 increase would have for both of those phases?

14 A Yes, I think that's true.

15 Q Accordingly, just as an example,
16 I think it's on page 520 when you deal with the various
17 increases that could accrue for particular communities. One is
18 in the magnitude of 44 per cent. If there were a multiplier
19 that would be used, although it might be very small for a
20 small community, it should in fact be included, or might be
21 accordingly, the percentages could even be
22 larger?

23 A Yes, this would increase the
24 population more, right.

25 Q Similarly I would like to
26 follow up the question Mr. Morrison asked this morning.

9 On the one hand you are having the
10 same tasks done, with a number of people filling those functions
11 whether it's utilizing local services or bringing in new
12 services, unless I am misunderstanding your question.

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1 Q You may -- my question was
2 simply this -- evidence has been given here, written and
3 oral to the effect that wherever possible, local businesses
4 or contractors and local people will be used to supply goods
5 and services for pipeline related construction.

6 I note on Page 602, one of your
7 recommendations is that local businesses should anticipate
8 some labour turnover as a result of employees taking jobs
9 on the pipeline. If these vacancies cannot be filled by
10 local people, it is expected that migrants may serve the
11 purpose.

12 To me, sir, it means that there will
13 then be an employment multiplier effect. If so, does that
14 then increase the population which increases the impact?

15 A No, again, I think there
16 is a flaw in your logic. If there -- in the one case, if it
17 is local services that are going to be drawn upon and depen-
18 ding on the degree to which they have excess capacity to
19 cope with that, they may have to add additional staff.

20 Now, in a situation where if we
21 were to assume that the services already are at somewhat
22 near capacity and therefore, they would either have to
23 expand or bring in alternative services, it seems to me
24 you're potentially dealing with the same sort of multiplier
25 whether it is local services having to gear up to provide
26 that function or someone else coming in on a temporary basis

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1 to supply that function, it seems to me that you would have
2 that multiplier effect in either instance.

3 Q That is what I was trying
4 to say, thank you.

5 One minor point, I note on the
6 graph on Page 530 dealing with an increase in crime, you
7 mention ^{the} increase in crime in 1969 having to do with increased
8 exploration in northern gas fields. I also note on the
9 graph, a sharp increase in crime between 1973 and 1974 and
10 I'm wondering if there is a cause/effect relationship there
11 between this and the Alyeska Pipeline?

12 A There is only a sharp
13 increase indicated there because for some reason, there was
14 a sudden drop in 1972. Actually, if you straightened this
15 graph out, you'd have a slightly different configuration.

16 I did not state in here that there
17 was any proven cause and effect relationship between the
18 increase in crime and increased exploration and development
19 activity. All I indicated was that it may be totally
20 by coincidence, that they were concurrent.

21 Q I realize that and you
22 have also -- there is no cause/effect relationship between
23 -- that you know of -- between these graphs and the Alyeska
24 Pipeline as well?

25 A To be quite frank, I
26 hadn't considered the question.

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1 Q Had you considered the
2 question of the fact that the Alcan portion of this pipeline
3 will be proceeding about the same time and that there may
4 be an impact on the Yukon because of people travelling to
5 that particular portion of the pipeline?

6 A To the portion in Alaska?

7 Q Yes.

8 A We hadn't taken that into
9 account but it is a point well taken I believe.

10 Q Under the heading of
11 "local economy" you deal with commercial fisheries. I'm
12 wondering whether or not you considered domestic or sub-
13 sisting fisheries and whether or not there would be an
14 impact on that kind of fishing similar to commercial?

15 MR. MAIR: As I believe I
16 indicated yesterday, one of our concerns in the work that
17 we had been able to do so far was that we had not included
18 the subsistence fishery -- we simply didn't have any data
19 at this point upon which to make any judgment.

20 Q And the same would apply
21 to the trapping as well?

22 A Yes.

23 Q You have stated today that
24 you expect or you predict a two year period for the agency
25 you proposed to be staffed and then I didn't quite get it,
26 but I think there was another time lag after that for the

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1 company to get in gear to begin construction.

2 I'm wondering if you have any
3 estimate of the time required to complete the studies you
4 have begun here before you staff the agency -- before you
5 instruct the agency of the various problems that it may
6 have to look into?

7 MR. TEMPLETON: Well, you're
8 differentiating between the studies that the agency would
9 do to be able to understand its job and get organized and
10 that which we would do. We're purely an advisory group.

11 Q I'm not sure. I've got
12 the -- I'm not sure whether or not you are continuing
13 studies or is this your final work?

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1 A Well, no, we have other work
2 that we think should be done, again, as an advisory group. We
3 would hope that we would be able to spell out controls and con-
4 trol mechanisms.

5 Q I guess what I'm getting at
6 is I'm wondering is there a differentiation, can you tell me
7 whether or not baseline data must be obtained prior to staf-
8 fing the agency and telling them what to control, or will the
9 agency that you staff, are you presuming that this two year
10 period, they will go out and get the baseline data?

11 A Well, I think they both will
12 be done together, like, for example, the Canadian Wildlife Ser-
13 vice could well be out gathering data now or during that per-
14 iod and that they would undoubtedly second on to the agency
15 people who would do that function during the operations

16 Q In other words, is the total
17 time-lag you foresee the two years that you're referring to
18 when you say "staff the agency"?

19 A Yes.

20 Q And, in your opinion, is --

21 A Providing the funding was
22 there, but governments don't always fund things as quick-
23 ly as you might like.

24 Q And I gather your opinion
25 then would be that two years is sufficient time to gather the
26 baseline data required?

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1 A I think so.

2 Q I have no further questions.

3 MR. GOUDGE: Thank you, and next on
4 the list, sir, would be Mr. Hudson, from Foothills Pipe Lines.

5 CROSS EXAMINATION BY MR. HUDSON

6 Q Thank you, Mr. Chairman.

7 Gentlemen, I'd like to address a couple of questions to this
8 planning administration group. I may be repeating some of the
9 things that have been said before, but I think it's a worth-
10 while subject because it's very high on your list of recommen-
11 dations, I think.

12 I was wondering, firstly, whether
13 this, the formation of this group pre-exists the overall govern-
14 ment agencies it's intended to form a part of, at a later time?

15 MR. FOX: I didn't get your question,
16 could you repeat it? Pre-exists?

17 Q Pre-exists. Is this agency,
18 this Planning and Administration Group, referred to on Page 508,
19 is it intended by you to be set up before the overall govern-
20 ment agency is set up?

21 A Well, let me try to respond
22 to that as best I can. We haven't worked out the details of
23 this, but as I had envisaged it, we do need to start this
24 Planning and Administration Group and it would evolve over a
25 period of time and it may, in fact, eventually, you might
26 say, embrace or encompass the control group that might be set

1 up, or it might continue as a somewhat separate sort of an entity,
2 but we haven't figured that one out yet. But certainly, the
3 planning activity is the thing that needs to be initiated as
4 rapidly as possible.

5 Q Now, if your recommendation
6 in this regard is followed, is this an advance over what you've
7 found to have been done in Alaska, with respect to the Alyeska
8 Project?

9 A Possibly, Dr. England can
10 respond to that, but our impression is that the kind of plan-
11 ning we're talking about simply was not done in advance in
12 Alaska.

13 Q If your recommenda-
14 tion is followed, then, the experience in Alaska that directly
15 resulted from the lack of planning would be considerably less,
16 is that a fair statement?

17 A I think it might be well to
18 emphasize here that the estimates of impact are based on the
19 assumption that there's an absence of the control mea-
20 sures and so, then the Planning and Administration and other
21 types of controls would presumably mitigate some of these
22 impacts that we estimated would occur.

23 That's why Mr. Templeton
24 has emphasized right along, that if in the absence of control
25 measures, then we simply would not have a satisfactory project.

26 Q This, I believe, to mean --

1 correct me if I'm wrong, on Page 501, where the Report states,
2 "Based on this relevant information, we conclude that much of
3 the adverse social and economic impact which characterized
4 construction of the Alyeska Pipeline can be avoided in the
5 Yukon Territory."

6 A That's right.

7 Q I wonder if you'd turn to
8 page 514 of the Report, that is, the major work I believe
9 this was touched on by one of the previous examiners or
10 Counsel, and I'm talking about -- my question is directed to
11 the corridor communities and your suggestions and recommenda-
12 tions that assistance be given and I was wondering if you'd
13 had an opportunity to assess whether the role of the
14 native groups in existence at this time, the CYI, the Yukon
15 Native Brotherhood and the Yukon Association of Non-Status
16 Indians, whether they conceivably carry out the roles that
17 you-- or could carry out the roles that you're projecting here?

18 MR. MAIR: I might try to answer that.

19 I think the answer really rests with those agencies. We are
20 not, certainly not suggesting yet another native agency should
21 be put upon them as it were, if they had the finances and so
22 on, they've certainly got all the capability and I would think
23 that they could carry it out as a part of that on-going func-
24 tion, but I can't answer that, really, that's for --

25 Q Well, you have answered it

26 in that it is conceivable from what you say.

1 So that, in suggesting that there be corridor community
2 organizations which there don't seem to be any in attendance
3 here, you're not saying that Yukon-wide organizations can't
4 fulfill that function just as well, or are you?

5 A No, what we're getting at is
6 that the kind of function that we have in mind is not present-
7 ly as well developed as would be required for this and it's
8 largely because of the lack of funds and so on that would en-
9 able them to do it. I've no reason to suppose that among
10 the existing agencies, that they could not work out some way to
11 do it.

12 Q Well, to the extent, say,
13 that the CYI, for instance, has been funded for this or any
14 other hearing --

15 A Yes.

16 Q To that extent your recommend-
17 ation here has been, in part, performed. would you say?
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A --So I suspect a considerable amount of it is taking place. It's simply that we feel that this would be a very important part.

DR. NELSON: Could I just interject for a moment. I think we should emphasize that, and in a way the Yukon-wide organization may be no different than a certain level of government or then a company, which is about

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1 to embark on a venture like this one, a number of tasks may
2 have been carried out by any umbrella-type organization like
3 that to, however, get down to detailed local studies, and
4 interpretation of fairly precise technical matters, may
5 involve a considerable reallocation of organization and
6 personnel and relationships and funding, so that while the
7 base organization is there, one could anticipate on the
8 basis of similar experiences in say with the Inuit in pre-
9 paring their own response to proposals like this, that it
10 could take a considerable amount of time.

11 Q The possibility exists
12 I suppose, that Native people living in Watson Lake might
13 take a different point of view than Native people living
14 in Beaver Creek. I believe you've already answered another
15 question I had, and that was the possibility in the communities
16 in the corridor setting up a Native, assistance to Native
17 groups, I believe Dr. England, you agreed that, to Mr.
18 Morrison, that there could be a divisive area, and it would
19 be the local people that would have to determine that. He
20 said polarization.

21 DR. ENGLAND: More precisely, I
22 think that I said that I really couldn't suggest I had a
23 perspective on that and that was a question that could only
24 be answered within the corridor communities.

25 Q Now, turning, I'm not sure
26 what the page is, but Dr. England again, I think this is your

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1 subject. You've determined that there is a police to po-
2 pulation ratio, 4 to ten thousand, is it? No, 4 to a thousand.

3 DR. ENGLAND: That was information
4 I receive in personal communication with --

5 Q From the local RCMP?

6 A No, from Statistics Canada,
7 Ottawa.

8 Q Do you not consider that
9 provides a measure of capability to withstand some impact
10 before the police force need be increased?

11 A I would suggest the only way one will
12 be able to determine that is find out to what degree the
13 present contingent is occupied.

14 Q You wouldn't think of doing
15 it on the basis of statistics was at all reliable?

16 A No I wouldn't.

17 Q Just a question that Mr.
18 Taves mentioned concerning the crime rates in the Yukon and
19 the Northwest Territories, on pages 530 and 531, you didn't
20 happen to learn whether the rise shortly after 72, coincided
21 with the arrival of the first breathalizers in the Yukon?
22 It wouldn't show up in the --

23 A We are not, we're relating
24 here to criminal code offences and traffic, and criminal
25 code traffic offences I do not believe are in that graph
26 although I stand to be corrected.

1 Q The traffic are not in the
2 graph at 530?

3 A I believe that is correct,
4 if I'm incorrect on that I will certainly advise the
5 Commissioners subsequently.

6 Q Are you content, Dr.
7 England on your crime statistics both for Canada and in Alaska,
8 that they relate to offences commonly, or to charges laid
9 commonly, or to complaints received commonly?

10 A There are complaints re-
11 ceived.

12 Q There are complaints re-
13 ceived?

14 A They're not discharged
15 cases. They're not cleared cases.

16 Q I see. So there could be
17 cases in which no prosecution was embarked on?

18 A That is my understanding.

19 Q Cases in which innocence
20 was found?

21 A That is my understanding.

22 Q And that's, and the important
23 thing in that is of course across the border.

24 A I have been consistent
25 in looking at the Canadian --, I used the same figures relative
26 to the Yukon and Canada, so the comparison is on the same basis.

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1 Q Which makes it more
2 /rather
3 important to use rate than an incidence, is that correct?

4 A I believe so.

5 Q This evidence before the
6 Inquiry that the personnel projected to be used on this
7 pipeline would enter the Yukon on more, in more than one
8 location, for instance flying into Watson Lake or flying into
9 Whitehorse.
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DR. ENGLAND: I think if you examine the

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1 figures that are in the report here from the Impact
2 Information Centre. It points out that out of sixty some
3 thousand or --- medicals carried out, only premedicals with
4 only thirty some odd thousand of them, were done in Fairbanks.

5 Now, I stand to be correct on this
6 but I believe somewhere down in Anchorage also, dependent
7 on which area the pipeline activity people were going to --

8 Q But then apparently,
9 they proceeded from Anchorage to Fairbanks to get onto the
10 job, or am I wrong on that?

11 A It would depend on where
12 they were working on the project.

13 Q But in this case, if a
14 good portion of the people or workmen are coming to Watson
15 Lake and may never see Whitehorse since their camp is be-
16 tween Watson Lake and Whitehorse, would you consider that
17 to be a factor mitigating against the Alyeska experience in
18 that limited parameter -- I believe it is -- or indicator?

19 A I'm not quite sure of
20 what you're suggesting. Are you suggesting that there might
21 be a hiring hall and pre-medicals or that those sorts of
22 activities might possibly be able to be carried on in
23 Watson Lake?

24 Q No, they would still be
25 carried on in -- outside, the hiring and the pre-medicals,
26 but they then come in two separate destinations on the job

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1 without going through the common one as they did in Fair-
2 banks.

3 A Well, if I would understand
4 the point Professor Fox is making that the problem in Fair-
5 banks was the people waiting around for these things --

6 Q Yes.

7 A -- and coming there in
8 anticipation of something and then waiting around. You're
9 talking about a situation where someone has already been
10 employed and he is being moved to a jobsite and that
11 certainly is a --

12 Q So, in -- yes?

13 MR. MAIR: I'm just wondering
14 if I could interject -- one additional point which hasn't
15 been made here but which follows from some of the discussion
16 you've been having. There is also -- if the medicals are
17 not done before they come in, you then have the problem of
18 those who don't pass the medical who are now already in the
19 area and unless arrangements are made to get them back out
20 again, they then are left hanging around and this raises
21 all kinds of problems.

22 Q I'm not for a moment
23 suggesting the medicals be done anywhere but out at the
24 hiring hall in the outside southern center.

25 A I suspect this may have
26 also contributed to part of the problem in Fairbanks, you

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1 see if they came in and got their medicals, then if they
2 didn't pass the medicals, then where do they go from there
3 -- they just sit there for a period of time.

4 Q And hope they got healthy.

5 On Page 546 dealing again with public
6 safety -- I think it is 546 -- there is a reference there
7 to the fact that the increased number of people here may
8 produce the necessity of un -- heretofore, unrequired
9 enforcement skills in the policing of the area.

10 Do you have anything as an example?

11 DR. ENGLAND: The only thing I
12 was able to learn was certain informal comments received
13 from former police chief Sundberg of Whitehorse, who sub-
14 sequently resigned as police chief --

15 Q Fairbanks.

16 A Fairbanks, I'm sorry, who
17 subsequently resigned to become -- to take on the respon-
18 sibilities of being in charge of enforcement on the pipeline.

19 He indicated that there were certain hitherto unexperienced
20 drug problems and that within the City of Fairbanks, they
21 were exposed to certain organized crime elements -- this is
22 documented I believe by IIC -- that they did not have a
23 great deal of experience in dealing with previously and
24 they brought in special investigative services to try and
25 help them cope with certain organized crime elements.

26 Q I see, and you do draw

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1 the conclusion that the RCMP will be better able to handle
2 that multiplicity of crimes --

3 A Well, it would seem to me
4 within that organization, all that expertise is built within
5 there and it is a deployment problem.

6 Q I'd like to pass over to
7 Page 583.

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1 The second paragraph refers to the hiring halls for non-
2 Yukon residents to be outside the Territory. I believe that
3 you--we have seen that that is in one of the policy state-
4 ments of the applicant.

5 The next paragraph refers to the use
6 of local businesses for pipeline needs, and I understand
7 Dr. Fox, this morning that your evidence was to the effect
8 that this should be avoided. Whereas the sentence in the
9 report says use of local businesses for pipeline needs should
10 be rationalized.

11 Has there been a change in your
12 thinking?

13 MR. FOX: Maybe I'm interpreting it
14 differently than you are --

15 Q Right.

16 A -- and maybe I'm interpreting
17 it differently that Dr. England. Let me see if I can
18 clarify what I was trying to say this morning.

19 One of the things that I think needs
20 to avoided is an undue boom and bust for local retailers in
21 the area. As I, what I believe is intended here, is that
22 this means that we should try to limit the amount of demand
23 that has to be met by local businesses. Now you can't
24 eliminate it completely, but what we did suggest was that
25 it was in the camps, or what I did suggest, it was in the
26 camps, certain services might be provided right within the

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1 camps. Certain goods and so on that people would be demanding,
2 so as to eliminate, to limit, the peak and decline that would
3 occur. Now I think that is what Dr. England meant by
4 rationalizing the situation.

5 Am I right, or did you have something
6 else in mind?

7 DR. ENGLAND: That's true, to a very
8 large extent, but what I think is also implicit in this
9 statement is that -- is not suggesting that there should be
10 a total avoidance of using the local services or acquiring
11 goods locally, but there obviously has to be very clear
12 understanding and discussions beforehand to ensure that the
13 system is not over-burdened and someone else pays the price
14 for an indiscretion in this regard. The business
15 community for example, is also well apprised of the fact
16 that although something may look very profitable in the
17 short run; that the capital involved to gear up for something
18 may be an excessive burden two years down the road, or
19 whatever. That's what I'm getting at by rationalizing it.
20 It seems that there has to be a very clear understanding and
21 exchange of information so the full implications of
22 acquiring any goods and services locally is appreciated.

23 Q Yes, well I think rationalized
24 is the key word to the paragraph and I was concerned in
25 your evidence this morning you would come off that, but, so
26 that to be discussing it at this time so far ahead of any

1 construction that might take place is an advance over what
2 took place in Alaska from what I understand your report says.
3 We are already ahead of them just by the discussion we are
4 having today. Is that correct? And the presence of the
5 Chamber of Commerce here to hear this and to take part in it.

6 DR. ENGLAND: Chamber of Commerce is
7 not here.

8 Q I'll talk to him later.

9 MR. TEMPLETON: I don't like to leave it that
10 Alaska didn't attempt to plan for it. They did, but they
11 weren't successful and this is the risk that we're worried
12 about here is are we really going to profit by what they did.
13 But they had quite a long time to plan for it, and some
14 people did try very hard to plan.

15 Q I believe there is a quote in
16 your report from either Miss Dixon, or somebody else, to say
17 that there was a lack in the planning --

18 A They didn't achieve as much.
19 Some people tried, but they didn't achieve much, and that's
20 what worries you about Canada too, because we tend to study
21 everything to death and never do anything.

22 Q Over the page, you suppose
23 that the maintenance, the prices of consumer goods at
24 pre-construction prices, plus some adjustment for normal
25 inflationary pressure. Have you any thoughts as to the
26 mechanics of that proposal as to where the applicant would

1 apply the funds, or if he is bringing in goods, how they
2 would be distributed?

3 A I don't think we should reply
4 to that at this time. We're doing an initial statement and
5 the mechanics of doing it are very difficult to do, and I
6 think everybody would agree with the principle involved, but
7 how you achieve it, I think, is beyond perhaps our capabilities
8 and certainly beyond the stage we are at right now.

9 Q Thank you.

10 The same type of question with relation
11 to relieving of the burden of people who expand their
12 capital plant. That is in the second paragraph after that.
13 The mechanics of that in the same fashion are something for --
14 economists?

15 A Yes.
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1 Q Have you had any discussion
2 with the local government, the Territorial Government concerning
3 rent controls, as to their willingness as to enter that field?

4 MR. TEMPLETON: No, we haven't.

5 Q In your work of the locality,
6 does this seem to be an acceptable control to the local
7 entrepreneur?

8 DR. ENGLAND: I'm afraid I have no insight
9 into that.

10 Q There's another interesting
11 recommendation. On page 602, actually it is all interesting,
12 but I would like to ask a question on this one.

13 Were you suggesting that where local
14 businesses are suffering from a shortage of local labour,
15 that they work together with the Department of Manpower to
16 develop a co-ordinated plan to fill job vacancies from the
17 southern labour force? Now as I understand the policy that
18 is presently suggested, the applicant, the proponent, will, if
19 a southern based person shows up at his door in Whitehorse
20 asking for work, will turn him away, and he will be, according
21 to the policy, and in practice, I understand, sent away.

22 Do you envisage the possibility of
23 private, the outside business people in the local area doing
24 the same thing through this arrangement with the Department
25 of Manpower and advertising that that will be so?

26 MR. TEMPLETON: Well, I suppose that is possible.

1 There is always those sort of things going to go on, unless
2 you can plug the loophole somewhere.

3 Q It would take a bit of
4 discipline in the part of the business person, so if he had
5 to wait an extra few days to fill that --

6 A Yes, some of them won't wait,
7 and you know, there's always these problems. Hopefully the
8 planning, if the planning is done, it will alleviate some
9 of those problems, but certainly not them all.

10 Q So on page 50 of the evidence,
11 you refer to a small to moderate decline in the unemployment
12 rate. Now does that refer to the construction period?

13 MR. FOX: To what?

14 Q To the construction period?

15 A Well, yes that is the
16 estimates, the calculation later I think is about, somewhere it's
17 a percentage point, --

18 Q Yes, very small to moderate --

19 A -- however, a decline in the
20 rate of employment. In the rate of unemployment. I believe --
21 maybe Dr. England would like to elaborate on it, but I
22 believe in calculating it out, it didn't appear that it
23 would be a major decline in unemployment that would result.

24 DR. ENGLAND: I don't think there is
25 anything I could elaborate on, I just, the calculation
26 indicated to us to make certain assumptions with respect to

1 the Alaskan experience applying here that there might be
2 one percentage point.

3 Q Decline?

4 A Yes.

5 Q Dr. England, I wonder if you
6 could help me out on page 676 of the major work. you make
7 a comparison -- 676 -- 673. That is the one from which you quoted
8 on a couple of occasions.

9 Do you have the source material, do
10 you happen to have the source material available.

11 A With respect to the actual
12 cost incurred?

13 Q That's the \$400,000.00 figure
14 and the \$118 million figure?

15 A Yes, they are both cited in
16 the bibliography here, the sources for this literature cited
17 section, for this section here.

18 Q I see. I'm wondering, is
19 that a direct comparison on the same stretch of road, or
20 intended to be?

21 A That is my understanding.

22 Q Do you know the distance
23 between Valdez to Livingood?

24 A I beg your pardon?

25 Q Do you know the distance
26 between Valdez and Livingood?

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1 A Not off hand.

2 Q My reading of it, I just say,
3 seems to be that a figure of \$400,000.00 is an estimate for main-
4 taining a certain stretch of road and being a 15 per cent
5 increase in traffic, and the other figure of \$118 million
6 could very well refer to the additional highway maintenance
7 expenses in the whole of the Alaska that are attributable
8 to the pipeline? Is that a possibility?

9 A That is a possibility.

10 Q So, they wouldn't -- there would
11 be no apparent comparable comparison to be made, is that --

12 A I wouldn't go that far.

13 I would suggest, if as you suggest,
14 that it is a broader area that we are talking ^{about} the differential
15 might be smaller, but I don't think you could possibly close
16 that gap.

17 Q Well, alright, because \$118 million
18 is not the cost of maintaining, it is a cost of the increase in--
19 an increased cost in maintaining, so you're saying that that
20 stands by itself, stands as evidence to the point that is
21 being made there, is that correct?

22 A Yes.

23 Q Might it refer to additional
24 roads that came on stream in the year before that figure is
25 raised?

26 A To the best of my knowledge,

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1 it does not, but you may be quite correct in that regard.

2 Q Thank you. Do you have any
3 statistics concerning maintenance costs to the Alaska Highway
4 in the Yukon Territory during the time when shipments of
5 freight were travelling along that road to Alaska with respect
6 to the pipeline?

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2 A No, I do not. I might point
3 out in that regard, however, that my understanding is that it
4 was the movement of extremely heavy vehicles that aggravated
5 the situation in Alaska and my understanding is that this
6 Alaska Highway was not the route by which these heavier mater-
7 ials came, although there may have been considerable supply
8 moved up this route.

9 Q I believe there were some
10 figures given earlier about general traffic, not broken down
11 into pipeline, but the increases are indicative of it.

12 I was going back to Public Health.
13 Do you have any figures on the doctor/public ratio in Fair-
14 banks before the in-migration to Fairbanks started?

15 A I think I may have that in-
16 formation back at the office.

17 Q You have the doctor figures,
18 the numbers of doctors --

19 A Oh, you're talking about
20 additional medical staff?

21 Q No, I'm talking about before
22 the increases -- I'm talking about the comparable of Fairbanks
23 and Whitehorse and I'm leading to the question that is White-
24 horse not in as good or better position, vis a vis, the supply
25 of medical services than Fairbanks was in 1973?

26 A I couldn't answer that.

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1 Q You wouldn't know any of that.

2 I have a question here concerning the
3 definition of Yukon resident . I don't think, unless you've
4 had some thoughts over lunch--

5 Mr. Bayly asked you the direct ques-
6 tion as to dissimilarities between the Alaska situation, the
7 Alyeska experience, particularly with regard to Fairbanks, I
8 think, because my question does not relate to the purely non-
9 human environment. I have a few questions to put to you
10 and ask whether or not you agree that, in essence--this is
11 the first question, regarding policing, the situation is that
12 in the Yukon there was more, a) more reliable policing due
13 to their backup to the national force; better equipped policing
14 for the same reason, and, according to your report, that the
15 police in general. The opinion that Dr. England found
16 there was that they didn't think the-- they didn't think the
17 policing was good during '74-'75, they didn't think it was
18 much better beforehand either. Would that be correct?

19 A In Fairbanks?

20 Q Yes.

21 A Yes, they didn't seem to
22 hold the police force in esteem prior or during the construc-
23 tion.

24 Q And also, there's more police
25 there.

26 A Pardon me.

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1 Q There were more police in
2 the Yukon scene per capita, than there were in the Fairbanks,
3 at that time.

4 A That is my understanding.

5 Q So that, in the matter of
6 fact, that's one answer you gave to Mr. Bayly, that's one
7 dissimilarity which favours the situation in the Yukon, so far
8 as an ability to withstand impact is concerned, is that correct?

9 A Yes, but our reference here,
10 mind you, is to the Fairbanks City Police Force, not policing
11 generally in the entire Burrough of Fairbanks so I, really when
12 you are asking, I don't know what...

13 Q You don't have any comments
14 on that?

15 A No.

16 Q I see. Would any member on
17 the panel be prepared to comment on the suggestion that I now
18 make that the welfare programs existent in Canada which would
19 have the effect of preventing an unemployed worker travelling
20 from the south, not prevent him, but make him more disinclined
21 to travel so far away from his home, were non-existent to
22 the same extent in the United States, at the time of the com-
23 mencement of the Alyeska system, and thereby a difference would
24 result.

25 MR. FOX: I don't have any particu-
26 lar comment on that. I doubt whether one could make a reliable

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1 comparison in this regard. I think that it's not entirely a
2 difference in a kind of an income that lure people, but the
3 excitement and so on that tends to bring people up and I
4 doubt whether you can attribute much significance to the
5 difference in the welfare system.

6 Q Do you see anything worthy
7 of comment on the fact that I suggest, the suggestion that I
8 now make that, at the time, say in '73 and on into '74, there
9 was more or less a recession in the south 48 and a relative-
10 ly higher rate of unemployment, whereas, if this project was
11 to go on stream, it would be at a time when there are other
12 projects within the same major project going on and would take
13 up a large number of the employable people.

14 A Well, the Canadian employ-
15 ment rate has been rising recently, so I don't think that we
16 could say that -- in fact I would say the Canadian employment
17 is higher now than the U.S. rate was at the time, than in '73-
18 '74. I think I'm right on that.

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Q And do you not see that
this --

A No, I think we've got even
more unemployed you might say, percentage wise in Canada
than the U.S. had at the time -- now they have got a larger
population to draw from, there is no doubt about that. That
may have some significance.

Q But the significant thing
I'm taking from that --- half of my suggestion is that there
-- if this matter goes ahead, there will be jobs going on
in British Columbia, Alberta and in Saskatchewan drawing
from essentially the same labour pool and that this
situation may not have attended in the Alaska situation --
would you be prepared to agree with that?

A Well, I'll just make
one observation here, that in terms of the country as a
whole and the amount of unemployment in the country as a
whole, I doubt whether this could be a very significant
factor. That would be my guess.

Q Thank you. There is a
reference of a negative nature to the -- expressing a
doubt as to whether native peoples will -- Page 519 --
employment on the project -- it is the very bottom of the
page. Does that refer to the construction phase or is it
referring to operation and maintenance?

MR. MAIR: It is intended to refer to

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1 both.

2 Q To both?

3 A I believe.

4 Q Well, does it take into
5 consideration, the Nortran Program and the policy state-
6 ment that this program will be increased to meet this kind
7 of concern?

8 A It is based really on
9 experience over the years and up until comparatively recent
10 times. These programs to which you refer, as far as I under-
11 stand them, are excellent and that is the kind of approach
12 which could change.

13 Q If that succeeds, then
14 it could change that opinion that is on the bottom of Page
15 519?

16 A But there are -- the
17 evidence is overwhelming from across the country that
18 without very special concern and without very special
19 measures and so on, that among those who do not get jobs,
20 the majority will be people of native ancestry or Indian
21 ancestry. That has been the experience.

22 Q Would the Nortran Program
23 come into that category of special that you mentioned?

24 A As I understand it, it is
25 -- I think that leads to -- you need programs that go much
26 beyond that because if I understand it correctly, it is a

England, Fox, Mair,
Holson, Templeton
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1 straight training program is it not. I'm not sure that I
2 know all the details of it but -- Nortran?

3 Q Yes.

4 A It is a straight training
5 program and I think that when I'm speaking of additional
6 programs, I think require a much broader complex of programs
7 that are supportive of one of the other, but I don't take
8 anything from the training program. I think it is quite
9 excellent from what I know of it.

10 Q Thank you.

11 There -- Dr. England, you referred
12 to the fact that there could be a contra-factor on the
13 inflation rate by reason of the fact that higher volume
14 freighted could result in a much lower unit cost on the
15 freight, is that correct?

16 DR. ENGLAND: No. Specific
17 reference was made in that regard was in respect to generally
18 the movement of goods from a wholesaling source into a
19 retail network and the point was being made that whereas
20 in -- for a very large retailer who can afford to bring a
21 full truckload -- forty thousand pounds or something -- he
22 can realize very significant savings, but generally, most
23 retailers are not in that position and they are in small
24 or partload situations and they do not have the opportunity
25 in most cases, to take advantage of high volume---

26 Q I see, but the rate is, that

ing and, Fox, Mair,
Isen, Templeton
Ex by Hudson

1 if you quote, is that it varies from seventeen and twenty-
2 five for a hundred pound weight a load to six-fifty per
3 hundred weight for a forty thousand pound shipment.

4 You don't see any way that those
5 -- that the increased volumes of material and goods coming
6 here, would result in any saving of freight to the consumer?

7 A There could be some savings
8 but I would not expect them in the normal consumer good and
9 freight work to be very significant.

10 Q Well, would the same thing
11 apply in the volume purchase of goods?

12 A Again, retailers purchase
13 their goods from wholesalers?

14 Q Yes.

15 A I would anticipate an
16 expansion in that regard at the same not sufficient to
17 realize full advantage of that sort of situation.

18 Q So far as individual
19 consumer was concerned, he wouldn't --

20 A That's correct.

21 Q I see.

22 Dr. Mair was talking about workers
23 on the project, trapping and doing the local trapper out of
24 his supply. Were you talking about illegal activities?

25 DR. MAIR: No, I think perhaps
26 I didn't make myself clear on -- what I intended to convey

1 was that if a substantial number of Yukon people who are
2 entitled to traps, were to be working on the project, these
3 people might very well wish to trap for recreation as a
4 hobby in their spare time and that would depend on how tight
5 the system is, registered trap lines and so on --

6 Q Yes.

7 A -- How tightly you can
8 pin it down to ensure that this didn't result in trapping
9 out --

10 Q Amateur trapping, un-
11 authorized trapping is what you're talking about?

12 A That could occur
13 -- as I say, I'm not intimately familiar with the details
14 of the registered trap-line system here so I don't know how
15 tight the control is.

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Nelson, Templeton
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1 Q I understand they are tight and
2 that leaves it up to the enforcement, and if the enforcement
3 was as it was expected, then that should not create any
4 problem, but you don't know the details of that?

5 A You can't say that no one who
6 is working on the pipeline can trap, because the resident
7 who is entitled to trap in the Yukon then, is entitled to
8 trap. As I say it now, the way that he is entitle-
9 ment to trap, that is a detail which I am unable really to --

10 Q Right.

11 Thank you, Mr. Chairman.

12 MR. CHAIRMAN: Mr. Goudge?

13 MR. GOUDGE: Sir, I have a few questions.

14 Some of the panel members have
15 indicated, sir, that three thirty would be a convenient time
16 if it suits you for them to take their leave. That'll even
17 the odds a little as far as I'm concerned and perhaps I
18 could complete my questions. Dr. England and Mr. Templeton
19 I think will remain, but if you would be good enough, sir,
20 I would like to ask a few, and then we could break at
21 three thirty for coffee and then carry on.

22 CROSS-EXAMINATION BY MR. GOUDGE:

23 MR. GOUDGE: Mr. Templeton, with Mr.
24 Bayly, this morning we went through the business of route
25 changes and your experience with other routes and their
26 changes, no doubt you see the same possibility of change in

1 the route that we have before us now between now and the time
2 it actually gets in the ground?

3 MR. TEMPLETON: Yes, and of course, I
4 worry also about the sudden appearance some day of the Yukon
5 Route.

6 Q Before we come to that, let me
7 ask you about different routes, perhaps within the corridor
8 that we can generally refer to as the Highway corridor.

9 You have referred in your report,
10 to the Ibex River Valley and the desirability there of a
11 route change based on potential damage to raptors. Is that
12 correct?

13 A Yes, and I think there are
14 Dall's Sheep there too.

15 Q Yes. And would you see that
16 as a major possibility for a route change within this
17 general corridor?

18 A Yes.

19 Q And would you see indeed that
20 that would affect the routing of the line around Whitehorse?

21 A Yes.

22 Q Would you see it sending a
23 line north of Whitehorse?

24 A I don't know whether it would
25 be -- I'm not sure where it would go. The present route is
26 not the best, but I don't really know how you get around it.

1 Q Would you put a high probability
2 on that route being altered before the line goes in the ground
3 in that area?

4 A Yes, I think so.

5 Q Another area that you speak of
6 in your material is an area which ought to have a route
7 change put to it is the area from milepost 145 to milepost 175.
8 Is that correct?

9 I take it that is generally in
10 the Kluane Lake area?

11 That is in page 663 of your
12 material, if you would like to look at it. The bottom, the
13 proposed alignment from milepost 145 to 175 should be examined
14 to see if alternate routes are available which avoid crossing
15 proposed ecological reserves in the Kluane Game Sanctuary. Do
16 you see that?

17 A Yes.

18 Q I take it the only alternative
19 there is to put the line on the other side of Kluane Lake. Is
20 that right?

21 A I believe so.

22 Q Have you given any thought to
23 the desirability or indeed the feasibility of doing that?

24 A Well, we looked at that very
25 briefly, but it involves, I understand that the Lake is very
26 deep, the arms that go out to the east, it may not be

1 possible to do that. I would be an ideal situation to keep
2 out of the Kluane Park area, because if you got on the
3 other side of the lake, you would be out of the park.

4 Q Well, is there any other
5 alternative route that occurs to you which avoids crossing
6 the proposed ecological reserves and the Kluane Game
7 Sanctuary, besides going on the other side of the Lake?

8 A No.

9 Q The third area, that I guess
10 Professor Fox referred to yesterday, was that of the
11 Duke Meadows, which you have identified in this context as
12 one important to the man/land heritage because of its unique
13 grasslands. Is that so, Professor Fox? And it is a proposed
14 I.B.P. site, is that so?

15 MR. FOX: That's right.

16 Q And your view would be that it
17 should if at all possible be avoided.

18 A Yes, as I recall however, again
19 it's difficult to avoid it in that particular case. This
20 would be desirable of course, to avoid it if possible.

21 Q Why is it difficult as far as
22 you can tell?

23 A I don't know. I'm sorry, I'm
24 not familiar with the details on that, do you know --

25 Q Is it a terrain feature, a
26 geotechnical matter, or what?

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Nelson, ~~Templeton~~
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1 A It was a terrain feature as I
2 recall.

3 MR. TEMPLETON: I think so.

4 Q I take it then your judgement
5 is that a major route change in that area of the line is
6 unlikely, although it would be desirable?

7 A Yes.

8 Q So at least three areas are
9 areas in which you would see major local route changes being
10 desirable. Two of them appear at least now to be unlikely
11 in terms of feasibility. The Duke Meadows area and the
12 Kluane Lake area, is that correct?

13 A Yes.

14 Q Now, let me move if I can to
15 a matter that Mr. Bayly dealt with you on.

16 There's no doubt, I take it Mr. Templeton
17 that there is at least the possibility of a number of
18 contemporaneous developments accompanying the building of a
19 pipeline occurring in the same time frame?

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1 A Yes.

2 Q Paving the Highway has been
3 spoken of, a Kaiser Aluminum smelter has been spoken of, indeed,
4 the building - spoken of, spoken of, a building indeed of the
5 Alcan portion of this line has been spoken of, the building of
6 hydro-electric development have been spoken of.

7 A Yes.

8 Q Would you agree that all
9 those have been mooted as possible contemporaneous developments?

10 A Yes, I believe so.

11 Q And then in addition, there
12 might be what I could call consequential developments, that is
13 development that is consequent upon the building of the gas
14 pipeline, and let me ask you to agree that the Dempster lateral
15 falls into that category, looping of the main line falls into
16 that category, indeed, the building of an oil line along the
17 same right-of-way might be said to fall into that category.
18 Would you agree?

19 A Yes.

20 Q Putting all those things
21 together, I'm curious that in conducting your socio-economic
22 impact study you didn't place the impact that you foresee for
23 this gas line in the context both of contemporaneous develop-
24 ment and consequential development.

25 A Well, I think that's quite
26 right, I quite agree with you. We previously called these

1 accumulative impacts, where you try to estimate in general
2 terms how all of these things will add up. We just didn't
3 have time to do that, but that certainly -- I guess it really
4 should be in an initial impact statement because it might be
5 enough to say that the problems are too serious, so, perhaps
6 we should have done that, but we didn't.

7 Q No doubt that the impact
8 caused by a gas line alone, setting aside the other develop-
9 ments I've mentioned, rate quite differently, at least possi-
10 bly, from those same impacts placed in the context of the
11 contemporaneous and consequential development I've spoken about?

12 A Yes.

13 Q And, I take it from your
14 previous answer that there is at least a possibility of a dif-
15 ferent view of the decision in principle, depending upon
16 whether one analyzes only the gas line by itself, or whether
17 only analyzes the gas line together with the other factors I've
18 discussed with you.

19 A I guess you'd have to make
20 a bit of study on that, perhaps a risk analysis or some kind
21 of a probability analysis, to discuss the chances of all of
22 these happening at once, or even two of them, or three of
23 them or something, to--- I don't think you can just say, well,
24 we've got to look at them all piled one on top of the other,
25 because I can remember talk about the diversions in the Yukon
26 River and the Lewes River when I was going to school and

1 they're not done yet, so, I --

2 Q How does one deal with that?

3 A I don't know, I guess you
4 get busy and run a probability analysis of what are the chances
5 and come to a conclusion, but this would involve -- I don't
6 know how you get the information, these are organizations that
7 don't give you information as far as I know

8 Q Sir, it's almost 3:30 and I
9 think some of the panel members would like to get away. Per-
10 haps this is a useful place to stop for a few minutes. I
11 would think I - sorry, Dr. Nelson, I didn't know whether you
12 were getting ready to go or whether you wanted a hand.

13 DR. NELSON: That's a fundamental
14 question you just imposed on impact assessment and another
15 thing, aside from probability of occurrence would be degree of
16 connection with the main enterprise under examination. That
17 is, some of the proposals that I think you mentioned could
18 stand independent of the gas line and, to that extent, you'd
19 be less likely to examine those in an overall comprehensive
20 assessment.

21 Q Let me ask you one further
22 question on that though. The connection can be one of time,
23 rather than one of inter-relationship with the project.

24 A Yes.

25 Q Thank you sir.

26 MR. CHAIRMAN: May I thank those

1 members of the panel who won't be here after the break for
2 their very useful contribution to this Inquiry.

3 We will take a short break then of
4 five minutes.

5 (MESSRS.FOX, MAIR, NELSON ASIDE)

6 (PROCEEDINGS ADJOURNED)
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. GOUDGE: Before we reconvene, sir, Mr. Mr. Bayly has indicated that he'd like to address a few remarks. Mr. Bayly?

MR. BAYLY: Mr. Chairman, it has come to our attention, today, Mr. Chairman, that the Government House Leader, Mr. MacEachern has said that the Commons will probably sit through July to debate the Northern pipeline question. I know that your schedule, sir, is to complete the Inquiry by the middle of July and to have a report to the Government by the first of August. The concern of the Yukon Conservation Society, and it may be a concern shared by other participants in this Inquiry, is that we may be in the midst of this while the debate is going on, and that the debate may be concluded before your report is tabled in the House. That is of concern to the Conservation Society since it has undertaken to participate in an Inquiry in the hopes that the result of that will be that certain information not presently in the mix, in the mill for the Government, will get to them so that they can make as informed a decision as can be made during this summer. If it is in fact the decision of the Government to debate the question that we are now trying to gather evidence on prior to the completion of this Inquiry, the Conservation Society may have to reconsider its position

1 in the Inquiry, and reconsider whether it is participating
2 in an exercise that isn't leading anywhere. That's not to
3 express any criticism of the Inquiry as it's functioning, but
4 just to express a concern with regard this debate beginning
5 and ending before your report is in, sir.

6 MR. CHAIRMAN: Thank you, Mr. Bayly.
7 I take that as an observation rather than as a question, but
8 perhaps it's not inappropriate for me to mention that the
9 news reports to which you refer have come have come to the atten-
10 tion of the Board. They are of some interest to the Board.
11 I may say that I've taken steps this morning to obtain cla-
12 rification from Ottawa. Precisely what the Government's
13 proposed time table is with respect to the decision making
14 process, I expect to receive that clarification shortly, but
15 I do not have it now. In terms of the timing, I think
16 I prefer not to deal in hypotheticals, hypothetical
17 questions until that clarification has been received.

18 MR. BAYLY: Thank you, sir. I will
19 look forward to hearing about that clarification.

20 MR. CHAIRMAN: Mr. Goudge?

21 MR. GOUDGE: Thank you, sir. Mr.
22 Templeton and Dr. England, if I could carry on. Mr. Templeton
23 Itake it, it would be a correct generalization of your evidence
24 that many areas of data collection relevant to the planning
25 and regulation of this project are in your view woefully weak.
26 Is that correct?

1 A Yes.

2 Q Let me suggest to you that
3 there are some areas that stand out in particular in
4 connection with some aspects of the matter. The evidence
5 that you gave as to the lack of base-line data upon which to
6 measure local inflation, is one of particular concern. Is
7 it not?

8 A Yes.

9 Q And total lack of infor-
10 mation that you refer to on page 25 of your evidence as to the
11 attitudes, values, aspirations of Indians in the Yukon
12 Territory.

13 A Yes.

14 Q The lack of information
15 on the role of country food, if I can put it that way. Giving
16 those as examples, though perhaps not making it by any means
17 an exhaustive list, could you give me your opinion as to whether
18 any of these data gaps are so substantial that they should
19 be filled before a decision in principle is taken?

20 A I think if you referred to
21 the handout that we had yesterday, we have to some degree
22 indicated on the chart, the segments of the piece of pie,
23 roughly where we place those, they are in a very pre-
24 liminary and a very subjective manner. I think in quite
25 a number of cases, in an initial statement, you look at the
26 importance, then you look at the potential impacts and

1 you carry the important ones on as far as you need
2 to to be able to say, well I think that from here on I can
3 recommend a control mechanism that we could live with. And
4 perhaps you leave it there and go on to something else. Now
5 I'm talking about an initial impact^{assessment} rather than a final one.
6 That's where we are now. Then there are others, of
7 course, where you just can't get the information that may
8 be more important than you -- I think that we could--
9 I think that there probably is enough to be able to come to
10 an initial opinion.

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1 Q But it would be your
2 view that there is in fact, enough data on which to base
3 a decision in principle?

4 A Yes, I think so.

5 Q And obviously, you'd
6 approve of the further identification of gaps as well as
7 further gathering of information. You've indicated that
8 your group is not going to be gathering any more information.
9 I wonder if the other side of that coin, you're going to be
10 doing any work which will result in the identifying of
11 further information gaps between now and --

12 A Well, I think that when
13 we -- the next thing we were going to address ourselves was
14 the -- after the comparison volume would be the control
15 mechanisms -- planning and control mechanisms, and undoubtedly
16 we'll come into more gaps in that.

17 Q Can I invite you sir, if
18 that task is being discharged between now and the conclusion
19 of these hearings, that you could advise us by mail as to
20 what information you turn up in connection with gaps in your
21 view, need to be filled?

22 A Yes.

23 Q Now, in terms of gathering
24 data and identifying data gaps, perhaps Dr. England, I could
25 ask you -- in many cases, the information you have recited
26 is information speaking to the territory as a whole --

England, Templeton
cr Ex by Goudge

1 territorial employment rates, territorial inflation rates
2 and so on, is that correct?

3 DR. ENGLAND: That is correct.

4 Q Yes. Is it possible or
5 in your view, indeed desirable that information when it is
6 collected on a territorial basis, be analyzed as well on a
7 native/non-native basis. Is that of any use as a planning
8 tool?

9 A I think it could be useful
10 but again, we would have the problem I indicated earlier
11 in terms of the use of the word 'native' until there is an
12 agreed-upon definition and identification of all people
13 falling within that defined group.

14 Q Once that occurs or once
15 there is an acceptance of some identification of that
16 definition, you'd agree I take it, that data collection is
17 desirable breaking it into those two categories or would
18 you?

19 A For some specific
20 objectives, I'm sure it would be helpful, yes.

21 Q Can I ask you to particu-
22 larize that or are you in a position to do that?

23 A I'm not in a position to
24 do that right now. I would want to give that some consider-
25 ation.

26 Q Could I ask you if you do

England, Templeton
Cr Ex by Goudge

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1 have an opportunity to do that, to advise us?

2 A Yes sir.

3 Q That is in what cases it
4 would be useful to have the data collected on that basis.

5 Now, Mr. Templeton, you've been
6 taxed at length by a number of Counsel about the analogy
7 that you draw from Alaska and let me ask you one or two more
8 questions if I can prevail on you, does the size difference,
9 basically in terms of population between Alaska and Yukon,
10 render the analogy inapt?

11 MR. TEMPLETON: No, this project
12 is smaller but so is the population and so is the infra-
13 structure. I -- any projection of an impact from one area
14 to another always has risks, but I don't think there is any
15 other way of doing it than to kind of remember as you go
16 along, the comparison of the two areas in which you're
17 comparing, but there is no question at all in my mind, that
18 if you have an example, you're better to use it than start
19 from first principles and not try to rediscover the wheel
20 everytime.

21 Q In that connection though,
22 you were here last week and you heard Mr. Littledale for
23 Foothills, give his examples which consisted of pointing to
24 the experience in Northern B.C. and Alberta.

25 Let me ask you why you chose to
26 take your example from Alaska rather than to take his example?

England, Terpleton
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1 A Well, he didn't present
2 his parameters as a study. He put it I think -- perhaps I'm
3 being unfair to him -- but I thought he put it into the
4 context of a subjective opinion but you couldn't help but
5 think that he had a -- he was a supervisory personnel on a
6 project and I think a supervisory personnel usually identifies
7 with his project.

8 Q Well, I'm not so concerned
9 about whether he identified with his project or indeed,
10 whether his conclusions from the analogy were subjective or
11 based on a study.

12 What I'm concerned about is his use
13 of a geographical area as the basis for his analogy and let
14 me suggest to you. His suggestion that B.C. is more like
15 the Yukon than Alaska is like the Yukon and therefore, to
16 determine how one -- to determine impacts of pipeline laying
17 -- one looks to Westcoast's experience in B.C., not to
18 Alyeska's experience in Alaska.

19 A Well, I think -- I asked
20 him that question because if he has a similar study that
21 we did using the Alaska experience available for Fort
22 Nelson or along the Alaska Highway, I think it would be
23 most useful but he didn't provide the details on which you
24 could test these things and compare them.

25 Q Why did you choose to
26 make your study of Alaska rather than B.C.?

A Well there isn't much -- there's more data in Alaska than there is in B. C. In fact there is very little data in B. C. on the human or natural environment. Also, it is somewhat complicated because there are gas plants and other things going on at the same time in places like Fort Nelson that are, to some degree, aren't in a direct comparison with the pipeline. But I think that the Fort Nelson area would be a valid comparison, and it would be a nice check to have if it was available, but I don't think you can get the data.

11 Q Apart from the data base perhaps
12 being absent, the one thing you've point to as differentiating
13 northern B. C., Fort Nelson in particular, from the Yukon is
14 the gas plant existence in Fort Nelson.

A There may be a number of things.
I'm not all that familiar with Fort Nelson right now, so there
may be a number of things. I really can't comment on Fort
Nelson. I asked him at that point whether there were other
things going on, and I wasn't -- I didn't understand what all
was involved in what he termed Fort Nelson.

21 Q You have no reason to think,
22 though, that the Alaska situation is a closer study, if I
23 can put it that way, to the Yukon, than northern B. C. is?

24 A Well, I really don't know.

25 I would like to do both.

26 Q Dr. England, do you have any

1 comments on that?

2 DR. ENGLAND: I would perhaps, might
3 add a little bit of elucidation in this. In our initial
4 evaluation volume, I would refer you to pages 580 and 581
5 where we attempted to compare the scale of the proposed
6 project, the Alaska Highway Pipeline project, with Alyeska
7 project, and with certain other general characteristics of
8 employment within the two environments.

9 In a relative sense, they are amazingly
10 comparable, and I would emphasize that they are comparable
11 when we are using actual employment figures for the Alyeska
12 project, and estimated figures for this project. We are all
13 well aware of what happened in the case of Alyeska from the
14 original projected employment to final employment, but at
15 the same time, also aware that great designing changes took
16 place which gave rise to that much higher employment in
17 Alyeska.

18 Q I guess the only point I'm
19 seeking to establish is one that perhaps you can't help us
20 with. If you tried to do the same for B. C., for northern
21 B. C., it's possible I take it, you don't know, but it's
22 possible that the same relativities might apply?

23 A They might. I would sincerely
24 doubt it, and I think the data acquisition problem there would
25 be almost insurmountable. What helped in the Alaskan situation
26 quite frankly was the existence of the impact information

1 centre. To try and disaggregate data from the total B. C. data
2 down to a scale which becomes meaningful to one small area
3 of British Columbia, I would expect it to be very, very
4 difficult.

5 Q When you say you sincerely
6 doubt it, I take it your doubt is based on the lack of data
7 base?

8 A That is correct.

9 Q Now, in terms of other routes
10 Mr. Templeton, you have answered fully the questions about the
11 Dempster route. Let me ask you to address for a few moments
12 the Klondike route and the Tintina Trench route, both of which
13 have been mooted by some in connection with this project.

14 Do you have any views, sir, on the
15 general state of knowledge as to those two routes?

16 MR. TEMPLETON: I think it's virtually
17 non-existent.

18 Q Is that in every field? Physical,
19 biological and human?

20 A I think so.

21 Q And let me ask you whether you
22 think the gaps there are so substantial that -- well, are
23 they so substantial that it affects the capacity to make a
24 decision in principle at this stage?

25 A Yes.

26 Q Now, again you were asked in

1 some detail about the regulatory mechanism that you foresee.
2 You've concentrated, I take it, on regulating the final
3 design in construction processes. Is that correct?

4 A Yes.

5 Q Let me suggest to you that
6 while engineering and perhaps environment considerations
7 relate to those phases particularly, there may indeed be
8 social and economic consequences preceeding the final design
9 and construction phases immediately following any decision
10 in principle. Would you agree with that?

11 A Yes, perhaps I didn't get the
12 whole point, but there's a -- you're talking about the
13 say the native -- if there was an approval of the pipeline,
14 this fall, the native perception of it, and there wasn't a
15 Land Claims settlement, the native perception of it would be
16 negative, so there's an impact there to start with.

17 Is that what you mean?

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1 Q That's not the particular
2 think I was meaning. I suggest, very simply, that as soon as
3 the decision in principle is taken, there'll be job seekers
4 flocking to the Yukon, isn't that likely?

5 A Oh, yes, yes.

6 Q And won't they be part of a
7 social impact, consequent upon that decision in principle.

8 A Yes.

9 Q And that is far in advance of
10 the final design process or the construction process?

11 A Yes.

12 Q And isn't it essential that
13 those impacts begin to be regulated immediately?

14 A Yes.

15 Q And don't you need a regula-
16 tory mechanism, therefore, in place as soon as the decision in
17 principle is taken?

18 A Yes. I'm sorry to agree with
19 you so often, Mr. Goudge.

20 Q I'm interested as to whether
21 then you think it would be desirable to revise your view and
22 suggest that the regulatory machinery should be in place as
23 soon as the decision in principle is taken, rather than simply
24 two years before construction.

25 A Well, I think that I touched
26 on that, it's not in the report, but I touched on that in a

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1 previous answer, I think. That if you were to say, if the
2 Government of Canada were to say, and they had decided that this
3 pipeline should be built, that they were to say we're going to
4 approve a route and an application, but we're not going to al-
5 low any work or ordering of materials or anything until we have
6 the planning process in shape and the control agency in shape
7 and operational and that this is going to take two years before
8 we'll be ready, so that there won't be any planning or construc-
9 tion . Then the final approval would be given two years
10 down the path and at that time, the applicant could
11 start doing his designs and ordering his materials and things
12 like that. If that were well enough known, I'm sure it's not
13 going to include everybody, but, if that were publicized enough,
14 it might reduce to some degree the in-migration in anticipa-
15 tion of the project.

16 Q But if it doesn't eliminate it,
17 don't you still need a planning mechanism immediately?

18 A Oh, yes. Oh, absolutely.
19 You need the planning mechanism anyway.

20 Q You also need the regulatory
21 mechanism unless in-migration is eliminated entirely, in this
22 hiatus period that you're speaking of.

23 A Well, the control mechanism
24 I don't think is needed that badly right now. I think the
25 Territorial Government should be strengthened to be able to
26 respond to that. I don't think you need the pipeline control

1 agency just yet.

2 Q Now, in connection with the
3 regulatory agency itself, the one that you say will take two
4 years to set itself up, have you given any thought the to the feasib-
5 ility or, indeed , the desireability of participation in it by
6 third parties? By that I mean interest groups, native people,
7 people other than government.

8 A Well, I think we think they
9 should be in on the planning phase, as separate from the-- we
10 have, like, two parts to it. One is is the actual control,
11 which is a regulatory body, but it should take its terms of
12 reference and what it's doing from a planning phase at which
13 local people should be intimately involved. I don't think that
14 you want to involve all the citizens' organizations in the
15 actual control, but they should be setting out what controls are
16 needed and seeing that the controls are actually being adminis-
17 tered.

18 Q Now, you're familiar, I take
19 it, with the applicant's material, to some degree at least?

20 A Yes.

21 Q In Volume 5(a), at Page 5.0,
22 the phrase "minimum project demand" is used as a methodological
23 phrase reciting the applicant's approach, if I can paraphrase
24 without doing damage, to estimating impact. Are you familiar
25 with that?

26 DR. ENGLAND: Yes, but it's quite some

1 time since I reviewed that and I want to see it in context.

2 Q Yes, perhaps I could show it
3 to you, Mr. Templeton, and --

4 You'll see that the phrase is used
5 there in connection with the demand that is anticipated, or the
6 stress it has anticipated the project will place on the local
7 economy. It is a methodological device that the applicant
8 has used.

9 Let me ask you to compare that general
10 approach with the approach you have used in estimating impact,
11 which I would characterize in some sense as a maximum impact
12 methodology. Is that a fair characterization?

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1 A I don't think it is now.
2 If we recall in -- with respect to almost all of these
3 parameters, the phrase was used earlier that the way our
4 submission here is framed, it is more of a problem definition.
5 It is an attempt to establish whether or not certain impacts
6 are apt to occur and to try and develop some insight into
7 the magnitude of the impact that might be anticipated.

8 It is not at all definitive and
9 by using an indicator approach, it is not only the occupancy
10 rate of a hospital that is a concern, it is the whole
11 question of the medical infrastructure, everything that goes
12 with it and obviously, we haven't addressed the total medical
13 infrastructure nor do we have the capability of doing that.

14 What we are indicating is that
15 there are certain indicators that lead us to conclude that
16 certain things could happen. It is highly likely they will
17 happen and they could be of a magnitude which we would
18 consider such that would impair the quality of service or
19 life for people residing in the area and that because we
20 anticipate that this is apt to occur, they require very
21 serious study -- very wide ranging study -- by people, in
22 the case of health, who are knowledgeable in the field of
23 mental health problems and programs to deal with and alleviate
24 these sorts of things.

25 All we simply say is the Alaskan
26 experience indicates you might well anticipate serious

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1 problems in this regard.

2 Q Unless you regulate properly?

3 A Yes, unless you addressed
4 the question first and planned effectively to come to grips
5 with --

6 Q Isn't it fair to say that
7 the impacts you've given us are in the main, the impacts
8 that might occur if there wasn't a proper address of the
9 question coupled with proper planning?

10 A Yes.

11 Q And the corollary of that
12 I take it, is that if the proper address and proper planning
13 is carried out, you get a lesser impact than the impacts
14 that you recited for us?

15 A As I would anticipate,
16 yes.

17 Q Now, dealing with some
18 of the specifics, if I may, and again some of these have been
19 touched on, at Page 31 of your prepared evidence, you deal
20 with the problem of State financing of services and you
21 say at the end of your second paragraph, that one of the
22 problems in Alaska was that the fiscal constraint upon the
23 State existed and was due to the fact that revenues were
24 not forthcoming until the project was completed.

25 I take it that curtailed the State's
26 capacity to plan for and mitigate impact?

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1 A Certainly to respond to
2 impact, that's definitely my understanding.

3 Q Yes. Have you given any
4 thought to how that might have been avoided?

5 A I have not given it a great
6 deal of consideration because I do not purport to understand
7 the full financial arrangements that were in operation with
8 respect to Alyeska between the State and the consortium and
9 I think that would be the relevant consideration there in
10 understanding what situation the State got into.

11 Q Isn't it fair, Mr.
12 Templeton, to say that that was a major problem in Alaska,
13 that the State was simply unable economically, to deal with
14 the problems presented to it because the revenue that it was
15 to derive, didn't begin until the project was completed?

16 MR. TEMPLETON: Yes, and it may even be
17 worse in Canada because I'm not too familiar with Alaska's
18 financial matters but you will remember, they had a very
19 substantial payment for their -- for the leases that they
20 gave out and so that during that period, when Alyeska or
21 the Taps line was stopped before the Alyeska came on, they
22 had a very substantial amount of money given to them for
23 the sale of leases.

24 I understand that was pretty well
25 all gone but I think they had -- still had some of that
26 money left by the time the Alyeska was started, so it could

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1 even be worse here because the Territorial Government just
2 plain simply doesn't have the money. I think though, that
3 what we were trying to say is that the Applicant must
4 recognize that it has a responsibility for the costs and
5 damages to the natural and human environment and this starts
6 not when the project is finished and you start to get
7 revenue from the rentals, but at an early stage. It is no
8 different, in my opinion, than a cost that is involved in
9 planning by the Applicant itself.

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1 Q Does that lead to any other
2 conclusion but that financing of the project must include
3 monies to pay up front to the local authorities to deal with
4 impact?

5 A Yes.

6 Q That's the only way out?

7 A Well, I suppose the Federal
8 Government could finance it, could fund it, but --

9 Q But not without doing damage
10 to your basis thesis that the pipeline company bears the
11 costs that arise as a result of the project?

12 A Yes, I think there's a
13 fundamental principle. They not only have to fund it
14 eventually, but they have to appear to be funding it as it
15 goes along, so that there is a clearly --

16 Q That is an analogy from your
17 lawyer's training, I guess.

18 A I think I have heard that
19 somewhere before.

20 DR. ENGLAND: I think it might be
21 instructive to recall in following up on Mr. Templeton's
22 comment earlier. At the municipal level also in Alaska
23 they had a little more financial flexibility. Like the
24 City of Fairbanks, there is a municipal sales tax, so with
25 added activity, they acquire added revenue with which they
26 cope with certain municipal problems. Now the City of

1 Whitehorse, unless they had a municipal sales tax, would not
2 be in that position either.

3 Q Let me ask you to turn to page
4 40, if I can please, where you deal with acculturation.

5 In dealing with your evidence here, you
6 rely very heavily as an indicator in the primary language of
7 the home. Is that correct?

8 A I rely on that as one indicator.
9 But simply as an indicator of the degree of impact that already
10 seems to have occurred, and that point has been made several
11 times by the native groups themselves.

12 Q Yes, I just want to make it
13 absolutely clear, because I take it, you're not suggesting
14 this, that indeed you do not say that if there's been a
15 reduction in the use of the native language as the mother
16 tongue, that in any sense means of disappearance of native
17 culture. 'You're not suggesting that in any way?

18 A Not at all. I use it simply as
19 a measure of degree to which there have obviously been
20 impacted to date.

21 Q But using that phrase, impact,
22 it simply means nothing more than there has been a reduction
23 in the use of the language as the mother tongue. It doesn't
24 tell you what has happened, if anything, to native culture.

25 A That is correct, yes.

26 Q Now, you say on page 42 in dealing

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1 with your remedial suggestions, if I can put them that way,
2 that assistance, financial and technical, must be provided
3 native groups to expedite development planning, corridor
4 communities, must be fully apprised of the potential for
5 adverse as well as positive project impact and means for
6 mitigating adverse impact and enhancing positive benefits must
7 be devised in consultation with them.

8 This I take it is part and parcel of
9 the planning process that you have spoken of. Is that correct?

10 A Yes.

11 Q And once again it should not
12 delay, but should begin immediately upon a decision in
13 principle. Is that right?

14 A Yes.

15 Q Now, in the area of public
16 safety of page 44 of your evidence, you speak at the end of
17 the first paragraph of high mobility of population. Dr
18 England, this is perhaps a question for you, but Mr. Johnson
19 when he was here yesterday referred to a study that indicated
20 that 55 per cent of non-natives in Yukon stay here less than
21 two years. Is that what you mean by high mobility and do
22 you agree with those figures?

23 A That is what I mean by
24 high mobility, I have nothing to judge the figures by. They
25 wouldn't surprise me.

26 Q When you say high mobility, do

1 you have any other figures?

2 A No, I do not.

3 Q Do those figures seem to be
4 within your ballpark, based on your experience?

5 A I am not terribly surprised
6 by those figures. Yes they would seem quite reasonable.

7 Q Yes. Now in the last
8 paragraph of that page, you recite as a method of reducing
9 crime, the control of in-migration. Is that correct?

10 A That is correct.

11 Q And we've been through this a
12 little before, but it seems to me, and I invite you to agree
13 with me, that that problem, the control of in-migration, is
14 in the context of easy access, such as the Yukon has a
15 very difficult one to solve.

16 A Yes.

17 Q Apart from hiring halls in the
18 south, do you have any suggestions as to how in-migration can
19 be controlled?

20 MR. TEMPLETON: Well, I don't think so.
21 I think we touched on that before, and I mentioned that ideally
22 in a totalitarian state, you make it a toll road, and say
23 so and so can go on it, and other people can't. But I'm
24 not sure that's practical. We haven't really gone into that
25 as to how you could accomplish that.

26

1 Q My problem, Mr. Templeton
2 is that it's such a difficult question to answer, it seems to
3 me, that may be simply be fruitless to say that implementing
4 programs to deter migrant workers from coming to Whitehorse,
5 is a way of reducing crime. Maybe that's pie in the sky.

6 A Well, I think you can still
7 do small things. You may not be able to do the big things
8 that's going to reduce, reduce in-migration to a specific
9 figure, but probably there are ways and they may be small
10 but you should try them.

11 Q Is there any other way
12 beside hiring halls in the South?

13 A I think that considerable
14 could be done in the way of public information, of how the
15 things are done, and it's a constant thing in the South because
16 they don't know. I think there are probably a number
17 of ways. I just can't think of them at twenty after four.

18 DR. ENGLAND: Alaskan people claim that
19 their concerted efforts to deter people from coming to Alaska
20 in search of jobs without a prior commitment helps alleviate
21 their problem, but that's the sort of thing you can never
22 prove because they got what they got, whether they would have
23 more had they not advertised and received certain publicity,
24 attempting to deter people from coming to Alaska.

25 Q I take it when you say that
26 helped alleviate the problem, what you mean is the bad

1 experiences suffered as a result of that in-migration
2 became known in the South and deterred further in-migration,
3 is that right?

4 A Apparently, there was
5 considerable publicity with respect to the cost of living
6 increases that were existing. But this was sort of publicity
7 through the press recounting what was going on in Alaska.
8 My understanding is that there was also a concerted effort
9 to simply tell the people not to come unless they had a prior
10 commitment, as a public information program.

11 Q So that we have hiring halls
12 in the South and public information programs as two things
13 that could be used to deter in-migration. Is that correct?

14 A Yes.

15 Q In trying to estimate the
16 impact due to in-migration, should we consider that those two
17 mitigative devices are simply minor, as Mr. Templeton says,
18 and will there still be in any event, a great deal of in-
19 migration?

20 A I would anticipate there
21 would still be in-migration, the magnitude I could not predict.

22 MR. TEMPLETON: Yes, I think so,
23 I agree with Dr. England.

24 Q Are you prepared to say
25 that those two mitigative devices will help but only in
26 small ways?

1 A I don't know about how
2 small it is. I think the hiring hall is certainly an im-
3 portant one. It's most important.

4 Q Let me move on to the next
5 page where you refer to-- perhaps not on the next
6 page, but as you transferred to your major volume and you
7 spoke at 541 of it, to the police force experience in Fairbanks,
8 half the police force leaving to go and take up security jobs
9 on the pipeline. Is that correct?

10 DR. ENGLAND: That is correct.

11 Q That, I take it exemplifies
12 what occurred in Alaska, namely the existence of a single
13 labour market, both for non-pipeline jobs and pipeline jobs,
14 with mobility amongst all jobs in that market, both pipeline
15 and non-pipeline jobs. Is that right?

16 A Yes.

17 Q Were you here, well you
18 were here, Mr. Templeton, when Mr. Miller gave evidence for
19 Foothills.

20 MR. TEMPLETON: Yes.

21 Q And do you recall him giving
22 his opinion, it's at page 26 of his evidence, that indeed
23 there in effect--there is in effect, or there would be in
24 effect two labour markets in the Yukon, given a pipeline, when
25 he says, I also contend, that labour demands and that wages
26 will not have a major impact on existing Yukon companies, as

1 it is unlikely that many Yukoners will trade a permanent
2 position with an established future for a short-term employ-
3 ment gain. Do you recall him saying that?

4 A Yes.

5 Q I take that's inconsistent
6 with the experience of the police force, at least in Fairbanks.

7 A Absolutely.

8 Q How do you explain that?

9 A I think the assumption is
10 incorrect.

11 Q Which assumption?

12 A That you have just stated.

13 Q Can you say why?

14 A I think the Alaskan ex-
15 perience clearly bears out that many people will give up what
16 some would consider a secure job for very significant short-
17 term financial gains. It may well be that they anticiapte,
18 when it's all over, the people who really don't want to live
19 here will leave anyway, and my job will be back there and I'll
20 go back and get it again. You know, you don't know what sort
21 of thoughts come into people's minds in these sorts of situa-
22 tions, but the income opportunities were obviously extremely
23 alluring.

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1 MR. TEMPLETON: I don't think
2 there is any question of that. That is the story of the
3 construction industry and big jobs that I know, that people
4 do migrate to the high paying jobs and sometimes it doesn't
5 take that much to set the whole wage rate up and we had an
6 example in Newfoundland, St. John's, this last year where
7 the introduction of about two hundred people caused a
8 noticeable rise in the cost of houses and in wages in
9 construction things, so I don't think there is any question
10 -- there is no question in my mind that people will go for
11 the high wage even though it may not last more than a few
12 months.

13 Q That applies to Alaska,
14 Newfoundland and Yukon as well in your view?

15 A Yes.

16 Q Let me move to public
17 health, Page 47 of your material and in the application,
18 Foothills says at Page 5a, 511, as we heard the other day,
19 that there will be approximately ninety-five hospital
20 accidents over the construction period of the project.

21 Do you recall that figure, Dr.
22 England?

23 DR. ENGLAND: Yes I do.

24 Q Yes. And you say in your
25 material that the Alyeska experience was, at least in one
26 year, 1,283 hospital cases in one year for pipeline related

1 activities. Do you recall that?

2 A Yes I do.

3 Q Those seem to me to be a
4 little different and I wonder if you could help me try and
5 reconcile those two.

6 A They are vastly different
7 scales of projects. Much of the Alyeska construction was
8 done in winter which in -- as I understand it, the chance
9 of injury is increased. That is all I could suggest.

10 Q Are you prepared to adopt
11 the Foothills rule of thumb of 95 hospital accidents over
12 the construction period? Does that seem reasonable to you
13 based on the Alaska figures?

14 A Frankly, I am not capable
15 of judging that because I am not competent enough about the
16 technical differences between the two projects which might
17 have exacerbated injury or anything like that.

18 Q Mr. Templeton, do you
19 have any view on that?

20 MR. TEMPLETON: No I haven't.

21 Q It seemed to me that your
22 assumption that the projects were similar enough to draw
23 the analogy would lead inevitably to the conclusion that
24 the figures in Alaska dictate larger figures in Yukon than
25 Foothills has given? Would you agree or disagree with that?

26 A Yes, I think so.

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1 DR. ENGLAND: That that could
2 well be the case, yes.

3 Q Now, lastly and again,
4 this was touched on in terms of transportation. You speak
5 at Page 72 and again at Page 673 of your major volume of
6 this hundred and eighteen million dollar figure that Mr.
7 Hudson discussed with you, and I took it, Dr. England, and let
8 me see if I have it correctly, that if indeed there was no
9 damage or no maintenance required of the Alaska Highway in
10 Yukon during the building of the Alyeska project, that
11 might be explained by the lack of heavy equipment being
12 moved along it?

13 A That might, yes.

14 Q If that is not the
15 explanation, doesn't it seem likely from the Alaska experience,
16 that there will be substantial highway maintenance cost in
17 Yukon due to the pipeline project?

18 A I would think that is
19 highly likely.

20 Q The hundred and eighteen
21 million dollar figure for Alaska would translate to a sub-
22 stantial figure in Yukon?

23 A Yes, as yet undetermined.

24 Q Yes. Do you see any
25 reason why that would not be the case?

26 A No, I do not.

1 Q That is all the questions
2 I have. Thank you, gentlemen.

3 MR. CHAIRMAN: We'll just be
4 a moment gentlemen.

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1 MR. CHAIRMAN: I just have one or
2 two questions I would like to put to you, if I may. Going
3 back to the line of questioning that Mr. Goudge developed
4 with respect to impacts that might be expected to set in after
5 the date of approval in principle. In other words, rather
6 than counting back from the expected time for commencing
7 construction, looking at the impact commencing with the date
8 of the decision in principle.

9 In terms of the agencies that you
10 recommend in the prepared evidence, I'm looking at page 24
11 in the study itself. I think it is page 508. With respect
12 to the control agency I think you indicated, Mr. Templeton,
13 with respect to what was necessary in terms of getting that
14 agency ready to go, staffing and other things, that you
15 would be looking at an 18 month to 2 year period.

16 MR. TEMPLETON: Yes.

17 MR. CHAIRMAN: Then you also indicated
18 that with respect to impacts that would commence as of the
19 date of approval in principle that it would be advisable to
20 have the planning administrative group in place.

21 A Yes.

22 MR. CHAIRMAN: Yes. Do you have an
23 estimated minimum time that it would be necessary to form
24 the planning and administrative group?

25 A Well, I think from a practical
26 sense it would be better, or more practical perhaps, for the

1 Federal Government to support the Territorial Government in
2 its initial stages, because I assume that the approval in
3 principle is going to decend on us whether we like it or not
4 at a certain date that isn't going to have to do with the
5 problems here.

6 It's a national decision that would
7 seem to be that's going to be made of which impacts on the
8 Yukon are only one of a number. So the quickest way to do it
9 would be, I think, for the Federal Government to assist the
10 Territorial Government in setting up some interim planning
11 groups so that they could work with the local people in
12 developing what they want and understand.

13 Perhaps I didn't answer your question.
14 Ideally, I think you would want at least a year to set them
15 up, but I really hadn't addressed myself, because I didn't
16 think they were going to give you that.

17 MR. CHAIRMAN: In terms of going back
18 to the first part of your response, utilization of people in
19 the Territorial Government, I understand you to suggest; that
20 would be compatable, would it, with that part of your
21 recommendation that there be a merger of the planning
22 adminstrative group with the control agency that would be
23 set up in due course?

24 A Well, I think certainly the
25 Territorial Government and the Federal Government and the local
26 people are going to have to be involved in the planning anyway,

1 and that the sooner everybody gets at it and has the funds
2 and the people and the support staff to start to study the
3 problems and get familiar with them, the better.

4 So I think they are entirely compatible

5 MR. CHAIRMAN: Just one further question
6 on that.

7 On the matter of maintenance of status
8 quo between the time of decision in principal and commencement
9 of construction. I think you did indicate that it would be
10 feasible to control to some extent the impacts that otherwise
11 would be experienced in that period. This is a general
12 question, I guess, as to whether you have anything further
13 to say by way of developing the matter of the feasibility of
14 freezing the situation or maintaining the status quo during
15 that period?

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1 A I think I had a, I may not have
2 explained this very well. The suggestion that I had was
3 that there would be an approval in principle first, and then
4 there's eighteen months to two years before the applicant
5 could ask for any approvals. There was really two planning
6 periods in there. There was the approval in principle in
7 which case the planning organizations could be started, and
8 I think, this probably should come along with some kind of a
9 land freeze or some kind of means by which the land is
10 not going to be usurped, or in any way affect the Land Claims
11 settlement. I think there's just to be something to
12 accommodate the Land Claims settlement in that period, and
13 allow them to get on with getting to another plateau.

14 Then after that sort of freeze period,
15 after approval in principle that then the applicant and
16 the agencies of government could get busy and get organized
17 and start to work out their detailed plans, but they couldn't
18 -- there's going to be another period in there afterwards
19 while they order materials. The construction is then a
20 longer ways away and it gives the Land Claims people more
21 opportunity to settle their Claim.

22 MR. CHAIRMAN: Let me make sure that
23 I fully understand your response there.

24 The first approval in principle, I
25 guess we're talking about, is the possible approval in
26 principle of a route --

1 A Yes.

2 MR. CHAIRMAN: -- quite apart from
3 anyone's application.

4 A We might have a route and an
5 applicant.

6 MR. CHAIRMAN: Yes. Now, my question
7 was directed to approval in principle of a route, and the
8 impacts that start to occur, or may start to occur at that
9 stage --

10 A Yes.

11 MR. CHAIRMAN: -- and the extent to
12 which those impacts could be put in a state of suspension, if
13 I may put it that way, during that initial period.

14 A Yes.

15 MR. CHAIRMAN: I think you did say in
16 your response to Mr. Goudge that you thought it was feasible
17 to put controls on in-migration and so on, and I suppose it
18 raises the general question of forms of speculative activity
19 or any other things that might begin to happen as of that
20 first approval in principle, if I may put it that way.

21 A Yes. But we would hope that with
22 that first approval in principle would go on some kind of
23 public relations campaign that there will be no equipment
24 ordered, or no work done for two years while the mechanisms,
25 control mechanisms, and the Land Claims, and other things
26 were worked on. But the pipeline company could be finalizing

1 it's designs in the office. Then after that they could come
2 along and go to the regulatory agency for some approvals, and
3 that's a very difficult time, because that's when the basic
4 decisions are going to be made.

5 It has nothing to do with construction,
6 it is all to do with somewhere else.

7 It is to do with what kind of materials
8 and equipment they are going to use, and how they are going
9 to deal with detail designs, and that could well -- that
10 would take about at least -- you see, there is a lag when
11 the applicant will come to the regulatory agency and say I
12 want to use certain metalurgy of pipe, and then there has
13 to be a period of ninety days, or hundred and eighty days,
14 or depending on the type of request that comes, but it
15 could be quite a long period of time in some cases for
16 approval.

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1 They can't order the stuff until
2 that approval is given because the implications of that
3 equipment may have serious environmental and other affects
4 and so, during the next time or during that period, could
5 well take two years and then you have to -- there is at
6 least an eighteen month period in the ordering of pipe and
7 equipment before you start getting it, so that in the second
8 two year period, is when the basic decisions are made and
9 these all have to be approved by the regulatory agents.

10 MR.CHAIRMAN: Thank you. I just have
11 one other question. It is a small point -- I'm looking at
12 the initial study itself -- Page 597 I think was my note --
13 as I understand it, what -- towards the bottom of the page,
14 turnover is related to difference in income -- differences
15 between income earned by pipeline employees and others and
16 you point out that the differences in income did not really
17 arise as a result of different wage rates, but as a result
18 of the possibility of working overtime.

19 The question is simply whether
20 there is any feasible method of addressing that -- the
21 matter of overtime or are other problems raised in the
22 attempt to do that?

23 DR. ENGLAND: We haven't
24 addressed that, yes. There probably are considerations in
25 that regard but we have not addressed that question, but it
26 certainly was overtime as far as we were able to determine

1 that accounted for the incomes, the trade rates were
2 generally in most instances, standard trade rates that had
3 been negotiated and in negotiation for that particular
4 project, escalated to some extent but they were the same
5 rates as I understand it, that were prevailing elsewhere
6 in other projects, in the State of Alaska in the case of
7 the Alyeska project but the overtime involved resulted in
8 extremely large incomes, mind-boggling incomes.

9 MR.CHAIRMAN: But you really didn't
10 look at the question of whether the overtime could be reduced
11 or eliminated or what the options were in terms of larger
12 work crews in adding to the in-migration or anything of that
13 nature?

14 A We did not look at it and
15 it may be quite possible to have certain types of occupations
16 -- double staff, if you will, or employment, but certain
17 skilled occupations -- I don't think there are enough people
18 in the labour market to double shift.

19 MR. GOUDGE: So overtime is a
20 crime---

21 MR. TEMPLETON: I think in the
22 construction industry in the north, the long hours is the
23 reason they get them and when they try to cut that down
24 similar in areas like mines, they lose their staff and most
25 of the northern mines have been short of staff and I think
26 even with today's unemployment rates, are still short of

1 staff in places like Thompson, Manitoba and I imagine the
2 Anvil Mine at Faro and so that you -- if you don't pay these
3 high rates, you can't get the people.

4 MR. CHAIRMAN: Well, I would
5 like to thank you --

6 MR. GOUDGE: Sir, just before
7 -- one thing has occurred to me -- Mr. Templeton, Mr. Doyle
8 who was the author of the study you referred to in your
9 evidence, has given no attention you said to the additional
10 time that would be required to set up an agency that was
11 charged with social and economic matters of control.

12 MR. TEMPLETON: Yes.

13 Q If he has an opportunity
14 of turning his mind to that and has any thoughts on it,
15 I would be grateful to receive them from you.

16 I just offer that as a suggestion.

17 A I'll offer it to him. I
18 assume I'm going to get a rather curt answer but -- something
19 to do with money.

20 MR. CHAIRMAN: Well, Mr.
21 Templeton, Dr. England, thank you once again for your
22 appearance here and the very considerable assistance that
23 you've given to the Inquiry.

24 We'll stand adjourned now until
25 -- is there anything else that needs to be spoken to other
26 than our commencement time tomorrow?

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10:00 o'clock tomorrow morning.

(MESSRS. ENGLAND, TEMPLETON ASIDE)

..(PROCEEDINGS ADJOURNED) .

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Alaska Highway
Pipeline Inquiry

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Govt. of Canada

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES
(YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN
THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY
AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION
OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND
FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC
ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD

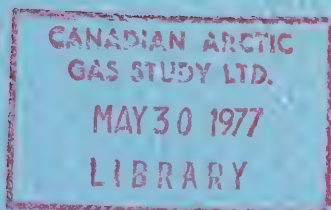
K.M. LYSYK, Esq., Q.C. CHAIRMAN

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MRS EDITH BOHMER MEMBER

PROCEEDINGS

VOLUME 6



WHITEHORSE, Y.T.

MAY 18, 1977

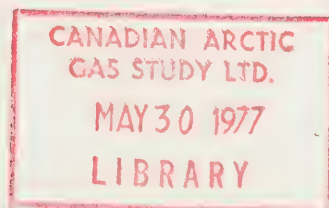
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	Workers
Irwin Armstrong, Esq.	

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1 Whitehorse, Yukon Territory

2 May 18th, 1977

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 MR. CHAIRMAN: Ladies and gentlemen,
5 I'd like now to reconvene the hearing.

6 Before going on with other matters,
7 I would like to come back to the question that was raised
8 by Mr. Bayly yesterday afternoon concerning the Parliamentary
9 -- to the question raised by Mr. Bayly yesterday afternoon
10 concerning the Parliamentary time table and the Government's
11 time table for considering northern pipelines. That can be
12 found in yesterday's transcript, pages 925 and 926, and as
13 I indicated to Mr. Bayly at the time, I had requested
14 clarification from Ottawa yesterday morning. We now have a
15 telex response from the Deputy Minister and I believe you
16 have copies of that in front of you, but noting that
17 responsible ministers were not available in Ottawa yesterday,
18 I expect to have in due course, I hope by tomorrow afternoon,
19 a ministerial statement which can also be added to the
20 record.

21 In the meantime I think it might be
22 useful to have my communication of yesterday and the
23 Deputy Minister, Mr. Kroeger's telex message received this
24 morning read into the record, and I would ask Mr. Goudge to
25 do that at this point.

26 MR. GOUDGE: Yes, sir. First the tele-

1 gram sent by the Chairman of the Alaska Highway Pipeline
2 Inquiry to the Honourable Warren Allmand, Minister, Indian
3 Affairs and Northern Development yesterday, May 17, as
4 follows: "Require immediate clarification of time table for
5 decision making by Government in view of news reports that
6 debate in Parliament will take place in July before report of
7 this Inquiry will be available." A copy of that was sent to
8 the Deputy Minister of Indian Affairs and Northern Development,
9 Mr. Kroeger.

10 His telex reply was received by the
11 Inquiry this morning and reads as follows: "Ministers
12 directly concerned with the issue raised in your telex of
13 17 May are temporarily absent from Ottawa and it will not be
14 possible to consult them until this evening. In the mean-
15 time it may be helpful to the Inquiry to have available the
16 extracts from the Official Record of the House of Commons,
17 set out below."

1 " During debate on May 13, the House
2 Leader, Mr. MacEachen stated quote, 'a decision to have no
3 pipeline is still an option for this country. The El Paso
4 alternative means that this need not impede United States
5 access to Prudhoe Bay Gas. As Hon. members are no doubt
6 aware, construction of an overland route across Canada has
7 advantages for Canada in terms of earlier and more economic
8 access to Northern Gas and in terms of economic activity
9 generated in Canada by such a project.

10 " 'It would be foolish, therefore,
11 for Canada not to study all factors in play within the time-
12 frame available, that is, before the United States must
13 decide on the El Paso route or an Overland route. That is
14 why I welcome the Leader of the Opposition joining the
15 Government today in suggesting that all relevant reports
16 must be taken into account before a decision is taken.'

17
18 " Subsequently, Mr. MacEachen stated,
19 'prudent decision-making requires a timely choice
20 amongst available options upon the basis of all available
21 information. In the present case, there are elements not
22 yet available to the Government and we therefore will not
23 be rushed into a decision until the National Energy Board's
24 recommendations, Mr. Justice Berger's second volume, and
25 Dean Lysyk's report and the Environmental Assessment on the
26 Alaska route are available.'

1 " During the same debate, the Minister
2 of Indian and Northern Affairs said, 'If the Government
3 is to be fair and responsible, our response to whether we
4 build a pipeline at all: What route it should follow:
5 whether it should be delayed for ten years or any other
6 period, must be based on a thorough study of the Berger
7 Report, the National Energy Board Report, the Lysyk Report
8 and all other relevant documents.'

9 " The following is the text of an
10 exchange that took place in the House on May 16th.

11 " Text begins: Northern Pipeline -
12 request for clarification of proposal to debate issue prior
13 to construction. Mr. T.C. Douglas, 'Mr. Speaker, I
14 have a question for the President of the Privy Council arising
15 out of his statement in the House last Friday to the effect
16 that there should be a triple veto on the construction of
17 a northern pipeline, first by the National Energy Board,
18 then by the Government and finally by Parliament, however,
19 later in his speech, the Minister spoke of providing an
20 opportunity to hear the views of Parliament before any
21 decision is taken.

22 " In order to prevent any misunder-
23 standing, I should like to ask the Minister whether he would
24 clarify the situation and tell the House whether or not we
25 are correct in assuming that the Government is making a two-
26 fold commitment. First, that when all reports have been made

1 available, there will be a debate in Parliament to ascertain
2 the views of the House and secondly, that when the Govern-
3 ment has reached a decision with respect to a pipeline,
4 Parliament will have an opportunity to approve or reject
5 the decision before any permit for the construction of a
6 pipeline has been granted.'

7 "Honourable Mr. Allan J. MacEachen,
8 'Mr. Speaker, that certainly is a succinct summary of my
9 statement. I might add some qualifications to the inter-
10 pretation. With respect to the triple veto, I said that a
11 pipeline could not be built unless it had been recommended
12 by the National Energy Board, by the Government and then by
13 Parliament. I had not taken into account, the contingency
14 where no decision would be taken and no pipeline would be
15 built. That is the only qualification I would make.'

16 "Mr. Douglas, 'a supplementary
17 question; Mr. Speaker, in view of the fact that the National
18 Energy Board Report is expected sometime in July and the
19 Right Honourable Prime Minister has promised President Carter
20 a decision by September 1, does this mean that if Parliament
21 is recessed at the time, it will be called back into session
22 in order to discuss the National Energy Board Report and
23 also to express its views with respect to the Government's
24 final decision, whether or not a pipeline should be built.

1 "Mr. MacEachen: 'Mr. Speaker,
2 quite apart from the Honourable Member's reference to President
3 Carter and the Prime Minister, I have stated that the inten-
4 tion of putting a motion on the Order Paper with respect
5 to pipelines was to provide the House with an opportunity
6 to express its views from time to time before final decisions
7 were taken. That is still my view and my commitment, but
8 in this case I am encouraged that my commitment can be ful-
9 filled because of the tardiness and slow pace of legislation
10 in this House and that probably we will be here all of July.'

11 "Mr. Douglas: 'Mr. Speaker, irrespective of whether the present
12 legislative program keeps the House in session until August,
13 surely the Minister's commitment that Parliament will have the
14 final veto power on any decision to build a pipeline requires
15 the additional/^{commitment}that if Parliament is not sitting at that
16 time - in the month of August and prior to September 1 - that
17 Parliament will be called into session in order to express
18 its views on the decision which the Government has made. Can
19 we have that commitment, otherwise the Minister talking about
20 triple veto power is absolutely meaningless?' Mr. MacEachern:
21 'Mr. Speaker, I agree, on the triple veto scenario I posed,
22 what the Honourable member says is perfectly right. A decision
23 taken by the National Energy Board and by the Government has
24 to be approved or rejected by Parliament.

25 "It would be inconceivable that such a project
26 can be undertaken without the specific approval of Parliament.

1 That is a view I repeat today. I am not as certain how I
2 relate the passage of legislation to the ongoing events that
3 may take place in the summer - the keeping of the House and the
4 recalling of the House. That was something that was very
5 much in my mind and which had to be considered when I made
6 my statement last Friday. I do not know the practical answer,
7 but the principle still stands." Text ends at that point.

8 "Following is the text of the motion
9 referred to by the President of the Privy Council on May 16.
10 Text begins: 'that this House recognizes the social, economic,
11 environmental and energy issues surrounding the question of
12 northern gas pipelines and, believing that the resolution of
13 these issues/^{must}reflect the national interest, approves the po-
14 sition of the Government that all relevant reports must be
15 considered before deciding on a pipeline and its route. End
16 of text."

17 That sir, is the substance of the
18 reply received this morning by the Inquiry from Arthur
19 Kroeger, Deputy Minister, Department of Indian and Northern
20 Affairs, and he concludes by saying: "there would be no
21 objection to your entering this telex in the record of the
22 Inquiry if you consider such action would be appropriate".

23 MR. CHAIRMAN: Thank you, Mr.
24 Goudge. Would you proceed then with today's order of busi-
25 ness?

26 MR. GOUDGE: Yes, sir. There are

1 two preliminary matters to speak to. Mr. Templeton has
2 indicated to me that on reviewing yesterday's transcript
3 he wishes to make one short comment upon it.

4 MR. CHAIRMAN: Mr. Templeton.

5 MR. TEMPLETON: I even notice Mr. Goudge's
6 comment that my remarks will be short. Mr. Chairman and Commissioners,
7 in reading over the transcript of the cross-examination by
8 Mr. Joe on page 814 and 815, there is a question in my mind
9 as to what precisely was asked and the interpretation of it
10 by Mr. Mair, that he had when he answered it. I will not
11 in any way try to correct or anticipate Mr. Mair's meaning.
12 I will send him a copy of the transcript and he can respond.
13 But since that may well take two weeks, I thought I would give
14 you my opinion.

15 The question was on top of page 814:
16 "I believe last May 1976 the past Chairman of the Council for
17 Yukon Indians presented to the Berger Inquiry in Yellowknife,
18 a proposal whereby the Indian people in the Yukon would take
19 equity control of Eoothills (Yukon) Limited. Now, given
20 that type of approach, of an approach, would your suggestion
21 of giving the Indian people financial and technical assis-
22 tance in studying the impact, would that in fact be a different
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1 approach or can that in fact be compatible with the type of
2 proposal that was advanced by Elijah Smith in May of 1976?"
3 Whereas I agree that equity control is as Mr. Mair pointed
4 out, and I think I'd like to quote his paragraph from the
5 bottom of page 814, "I can say that in one or two instances
6 that I am aware of, with very small businesses where there
7 is an equity situation that was a very harmonious relation-
8 ship, and that as it happened in one case, a good percentage
9 of the people working in the industry were themselves,
10 people of Indian ancestry, and they had a great pride in
11 ownership and were excellent, absolutely excellent.

12 Then in the next paragraph "the two
13 are not, I would say, incompatible at all." But I think
14 the size of industries that Mr. Mair was talking about is
15 entirely different from the Foothills (Yukon) Ltd. If the
16 question meant, is equity control of industries in which
17 Indians work, manage and participate, my answer is an
18 unqualified, yes. But if the question asked whether we
19 thought the Council of Yukon Indians should own equity
20 control of Foothills (Yukon) Ltd., I would recommend
21 against it. They would own one part of a very major
22 project. The Yukon portion is a small part of the whole
23 line which runs through Alaska, B. C., Alberta, and some
24 southern States. Because the pipeline must be run and
25 operated as a unit and cannot be run section by section,
26 the equity control of the Yukon portion would not be

1 control at all.

2 If it is control that is sought, I
3 doubt that equity gives that control in a regulated utility.
4 The National Energy Board will control the rates of return,
5 looping, and most utility activities, that is by Canadian
6 law. If it is considered -- if the proposal is considered
7 as an investment, in my opinion, Canadians in general and
8 the Council of Yukon Indians might better find more
9 opportunities, participation and satisfaction in other
10 investments in resource or Canadian utility and energy
11 activities, than the conducting of American gas to American
12 markets.

13 As I say, I will ask Mr. Mair to write
14 his comments to the Inquiry, but I thought I would give my
15 comments to you while I am here in case there was a mis-
16 understanding in what Mr. Joe meant.

17 There is one other matter. I promised
18 yesterday that I would file a copy of EPS-2-NW-76-1, which
19 I will do now.

20 (ASSESSMENT OF ENVIRONMENTAL PROTECTION ACTIVITIES ON THE
21 MACKENZIE VALLEY GAS PIPELINE PROJLCT MARKED AS EXHIBIT 34)

22 MR. CHAIRMAN: That is an intriguing
23 title.

24 MR. GOUDGE: I think we are now in a
25 position to resume the cross-examination of Foothills
26 Pipeline Socio-Economic Panel, and Mr. Hudson has one or
two remarks to make before I call on Mr. Horton.

1 MR. HUDSON: Mr. Chairman, the panel
2 here before you this morning is composed of Mr. Saker, Mr.
3 Burrell, Mr. Miller and Mr. Deyell. I should like to comment
4 on some absences.

5 Mr. Ellwood is ill, and is under
6 doctor's orders to stay home. Mr. Littledale is in hospital
7 and unable to return at this time, and as I think was pointed
8 out before, I would advise you at this time on Counsel
9 examining that Mr. Miller is available today, but not
10 tomorrow, so it is hoped that Counsel could bear that in
11 mind in the questions that they are asking in case the
12 matter goes on until tomorrow and Mr. Miller is not available.

13 MR. CHAIRMAN: I'm sure that is duly
14 noted by Counsel.

15 MR. GOUDGE: Yes sir, what I propose
16 is that as we come along, if it looks as if we're not going
17 to finish the panel entirely today, that we can go through
18 the batting order of Counsel in order to complete Mr. Miller
19 so that he can get away and then resume with the balance
20 tomorrow. I have high hopes that won't be necessary and
21 we'll be able to complete the entire panel today.

22 J. SAKER: resumed

23 J. BURRELL: resumed

24 M. MILLER: resumed

25 B. DEYELL: resumed

26 MR. GOUDGE: I would ask, sir, if the

1 Board is ready that we commence with Mr. Horton, who
2 indicates he has one further line of questioning he
3 would like to --
4

5 MR. HORTON: Mr. Chairman, before I
6 begin my questioning, I would like to address myself to
7 a matter of greater concern. I've been informed that the
8 microphone hook-up that blew up was my own microphone,
9 I'm worried lest there be an adverse inference
10 drawn against me because of that, therefore, I hasten to
11 point out that it was Carson Templeton who, yesterday,
12 alluded to Murphy's Law, that if anything can go wrong, it
13 will go wrong.
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CROSS-EXAMINATION BY MR. HORTON:

1 Q Mr. Miller, at Page 10 of your
2 report where you begin your analysis of expenditures to be
3 incurred by the Government of the Yukon Territory, you begin
4 by saying that you have not consulted with Government
5 personnel. I'm wondering why you did not consult with
6 Government personnel.

7 MR. MILLER: Well, it's my understanding
8 that the Government has not as yet, come up with their own
9 analysis of this and it seemed to me that having worked in
10 Government for some number of years, that you could get any
11 number of positions on the thing, so I used my own best
12 judgment.

13 Q You did not consult with
14 them even for the purpose of obtaining information?

15 A In what sense are you
16 referring to information?

17 Q Well, you say you have
18 not consulted with them. You could have consulted -- I'm
19 wondering why, for example, you didn't consult with them
20 simply for the purpose of obtaining information, rather
21 than finding out what their analysis was?

22 A Well, again, it seems to
23 me that I could have approached any or all of the Department
24 Heads concerned and I would have got a divergence of opinion
25 which has not been put forward as Government policy at this
26 point.

Saker, Burrell,
Miller, Deyell
Cr Ex by Horton

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1 So, in my attempting to analyze
2 the situation, I looked at the makeup of Government, I looked
3 at the department strengths, I looked at what impact I thought
4 a pipeline might have on each department.

5 Q Yes, but consultation
6 with Government about their policies or their analysis of
7 the situation would be one thing, would not consultation
8 with them for the purpose of obtaining information upon
9 which to base your own analysis, be a completely different
10 thing?

11 A Well, when you say con-
12 sultation for information, I think it must be borne in mind
13 that I left the Government in January of this year so I have
14 a fair idea of what has gone on in Government up until
15 January of this year. I don't think there has been any
16 appreciable change since that time, so while I might have
17 gone and talked to them as I say, I was intrinsically in-
18 volved with the Government up until January of this year.

19 Q Now, the last sentence
20 in your introductory remarks on Page 10 to the expenditures
21 portion is that, "no provision has been made for capital
22 expenditures." I'm wondering if you could elaborate on why
23 you chose not to make any provision for capital expenditures?

24 A Well, as I saw this, the
25 major addition was in staff. Now, there can be attendant
26 capital expenditure requirements that go with staff such as

Saker, Burrell,
Miller, Deyell
Cr Ex by Horton

1 vehicles and this type of thing, but that would depend upon
2 the availability of other vehicles. The Government operates
3 a vehicle pool, so I was not able -- well, I didn't feel it
4 was necessary, let me put it that way -- to add in a vehicle
5 here or a vehicle there without full knowledge of whether
6 they would need it and no one will know that until they hire
7 the staff.

8 Q It seems to me that most
9 of the staff, who you say are -- you predict will have to
10 be hired, for example, the game branch people, public health
11 nurse, are going to be requiring vehicles, are going to be
12 requiring office equipment of sorts, I suppose the game
13 branch people probably also need telecommunications equipment
14 and -- but there are -- are there not obviously, relevant
15 capital expenditures that one can reasonably foresee would
16 have to have been incurred?

17 A I suppose one could
18 predict capital expenditures, yes. I didn't feel, as I say,
19 that there was sufficient magnitude in those capital expen-
20 ditures to warrant doing an estimate of them.

21 Q You have used the phrase
22 'man years' -- it occurs first under the Game Branch heading,
23 but perhaps this -- at the very beginning, so that everybody
24 knows what a man year is, could you describe what your
25 definition of man year is, as you have used it in your
26 report?

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1 A It is the definition that
2 is used in Government. It represents one man for one year.

3 Q Now, does it --

4 A That doesn't mean one
5 individual for one year --

6 Q No, I know --

7 A It is one man's time for
8 one year.

9 Q In effect, one position
10 for one year?

11 A No, not one position for
12 one year because you may have five positions and two and a
13 half man years if they only work half a year each.

14 Q Okay. Does -- now what
15 cost are you attributing to the man years that you speak
16 of throughout your report, salary only or are there other
17 related costs?

18 A No, I have taken the
19 total salaries and attendant O & M costs. In other words,
20 in the --

21 Q I'm sorry, I missed the
22 and attendant what?

23 A And attendant O & M
24 costs.

25 Q What has been included in
26 the attendant O & M expenditures, operations and maintenance

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1 I suppose you refer to.

2 A That is right.

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1 Well, for example, in the Game Branch I took the cost of the
2 existing staff of the Game Branch including all of the
3 operation and maintenance part of the Game Branch, and
4 divided it by the number of man years they presently have.

5 Q Well, what gets included in
6 operations and maintenance, by your analysis?

7 A Okay, it includes travel --

8 Q Support secretarial staff,
9 for example, does it include their salaries?

10 A Yes. It includes travel, it
11 includes vehicle expense, any number of things. It depends
12 upon the Department that you are referring to. In the Game
13 Branch it would include operating all of their equipment.

14 Q Does it include any
15 allowance or factor in respect of additional expenses that
16 automatically follow? Additional salary expenses that
17 would automatically follow from the introduction of a new
18 person in some positions?

19 A Well, I don't see the addition
20 of two man years for example in the Game Branch adding any
21 additional staff, beyond that. In other words, there should
22 be no more attendant secretarial staff required. These are
23 game guardians who would be in the field. There would be
24 additional office space required. That is included based
25 on what they are now spending.

26 Q That is already included in the

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1 figures that you --

2 A That's right.

3 Q -- listed off. Turning now

4 to the local government heading under "expenditures", it

5 seems to me that you have restricted your analysis to the

6 impact on that branch simply to land development activity. Am

7 I correctly summarizing what you have done under that?

8 A Well, that's the only place

9 that I see additional expenditures being incurred, is in

10 land development and in assessment.

11 Q Can you perhaps outline for
12 us the field of activities that the assorted branches of the
13 Local Government Department are involved in.

14 A Yes, basically they have
15 Local Government advisors who work with the Local Improvement
16 Districts and the municipalities. They do the assessment
17 work for the total Territory. They have --

18 Q Perhaps before you go on, do
19 they do the assessment for work in the City of Whitehorse?

20 A Yes. They do the assessment
21 work for the total Yukon.

22 Q For the total Yukon?

23 A That's right.

24 They also have the Protective Services
25 Branch which is the Fire Marshall, building inspectors,
26 electrical inspectors, plumbing and heating inspectors, and I

1 think that covers the full range at the moment. Land
2 Development inspection.

3 Q Land use planning?

4 A Land use planning as it is
5 now done, which is comprised of one individual who is on
6 contract.

7 Q But that is a function that
8 is performed?

9 A That is individual --

10 Q However limited it may be
11 performed at the present time, it is a function that is being
12 performed.

13 A That individual does not
14 report to the Department of Local Government, he reports to
15 the Executive Committee member in charge of Local Government,
16 and he is just developing government policy.

17 Q Okay then, whether it is
18 within the Local Government Department or not, there is
19 some land use planning function being performed within the
20 Government of Yukon Territory, is it not?

21 A There is a land use planning
22 policy function being performed at the present time.

23 Q I'm wondering why you have not
24 apparently even directed attention to the possibility that
25 there might be increased pressure, increased demand for land
26 use planning resulting from the pipeline project?

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1 A Well I reviewed that matter, and
2 in my opinion you can, well, let me put it another way. The
3 demand for land use planning has been apparent for some ten
4 years. The Government has not addressed that demand at this
5 point in time, and while there may be additional demand come
6 from the pipeline, or a potential pipeline, I don't see the
7 relationship. If it's not being addressed today, why a
8 pipeline would force the government, if you like, to go out
9 and hire additional people. I think it is a desirable thing
10 that the government get in the land use planning, but I
11 don't think that the pipeline itself would be the issue on
12 which it would necessarily have to be done.

13 Q I'm a little bit mystified,
14 Mr. Miller, why you say that the government has not yet
15 addressed itself to land use planning. One reason why I'm
16 mystified is because I know what sort of work is flowing
17 across my desk over there.

18 A Well, it depends on what you
19 mean by land use planning, and what I mean by land use planning.

20 Q Okay, we're having trouble
21 there. Could you tell us what you are viewing as land use
22 planning?

23 A Certainly they have addressed,
24 and are addressing the policy question. There is no question
25 about that, and as I indicated, they have an individual
26 under contract to do. They also use the Local Government

1 advisors to do certain land use planning functions, particularly
2 in the Local Improvement Districts. But in terms of on the
3 ground, what I would consider to be inventories, this type
4 of thing, they have not addressed themselves entirely to that
5 question as yet.

6 Q It is not reasonable to think
7 that perhaps a project of the magnitude of the pipeline might
8 be the impetus that suddenly causes the growth of a whole
9 new land use planning section, and a zoning enforcement
10 section?

11 A I would anticipate if I was
12 in government, that that would be a nice thing to do, and it
13 is likely going to be one of the things that certain people
14 in government are going to use as an excuse to get the land
15 use planning function operating properly. I maintain
16 that it will be the excuse, not a mandatory thing.

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2 Q It is therefore, something
3 that may very well flow from a project of this size in the
4 sense that, had a project of the size of the pipeline not
5 been there, then the land use planning would not
6 have been there; whether it be because of the mysterious
7 manner in which the civil servant mind works, or whether it
8 be because there really is a true cause and effect relation-
9 ship between the pipeline and the need for more land use
10 planning.

11 A There's no doubt in my mind
12 that government personnel will advocate that they need a full
13 land use planning operation, as they've been advocating it
14 for five years now.

15 Q Okay. In view of that,
16 why did you not enquire into the possible financial conse-
17 quences of that?

18 A Well, as I indicated, they
19 have been advocating it for five years now, and haven't got
20 it. They will likely get it out of pipeline, but I don't
21 consider that to be the cause, to be caused by the pipeline.
22 It would be an effect that governments will use the excuse,
23 if you like, to acquire what they already want.

24 Q Therefore, am
25 I correct in concluding that the reason you did not address
26 yourself to that and do an analysis of the possible cost, is

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1 that you do not perceive a direct cause and effect rela-
2 tionship between the pipeline as the cause and new land use
3 planning branch as the effect.

4 A That's right.

5 Q Did you do any analysis
6 of the land that Foothills would have to use in order to
7 carry out this project, the right-of-way, the construction
8 sites, the compressor sites, the construction camp sites, I
9 mean, the compressor station sites, any Foothills employee
10 housing sites where Foothills build the housing themselves,
11 for the purpose of ascertaining how much of that land is
12 presently Federal crown land; how ^{much} of it is presently under
13 the administration of the Commissioner; how much of it is
14 presently municipal; how much of it is presently either
15 privately leased or titled in private individuals or private
16 corporations?

17 A No, I looked at the pipe-
18 line right-of-way as presently conceived, and I assumed that
19 there would be certain private holdings that they may be
20 crossing. The rest of it, the majority of the land will be
21 Federal crown land. There'll be very little territorial
22 land involved and there will be basically no municipal land
23 per se, because the municipalities don't own any land.

24 Q But you're not able to
25 break that down into percentages.

26 A No. I didn't get

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1 into the finite detail of looking at each and every piece
2 of land that the pipeline crosses?

3 Q Did you look in the same
4 way at the construction camp sites and compressor station
5 sites?

6 A Well, looking at just the
7 general map, it appears to me that there was probably 95
8 per cent of, better than 95 percent would be on federal crown
9 land.

10 Q Is there not a reasonably
11 foreseeable possibility that part of this whole project, or
12 one result of this whole project in the event it goes ahead,
13 might be that because of it, a large amount of land, perhaps
14 the entire right-of-way, for example, presently with federal,
15 would be transferred to the Commissioner. I'm not suggesting
16 that there's any policy ^{that} that should happen, but I just raise
17 the question, because it seems, from a legal point of view,
18 anyway, it's extremely easy for that transfer to take place.
19 That transfer of administration of land has taken .

20 place in the past for probably less meritorious reasons.

21 A Well, from a legal stand
22 point, it's an easy thing to do. But from a political stand-
23 point it's very difficult for the Territorial Government to
24 get 13 acres in a community in the Yukon, so --

25 Q I'm sorry, the door banged
26 back there when you were --

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A Legally, it's very easy for this to happen, it's a block land transfer process that only requires Governor in Council approval. For political reasons, it has become difficult for the Government of the Yukon to get any land transferred from the Federal Government. And I don't see that changing in the foreseeable future.

Q Well, what if it were to come to pass, that one of the terms or conditions, so to speak, of the pipeline, of pipeline development, would be that such a transfer take place. We would then be in a position of --

A Well, at that point, the Government of the Yukon would acquire a strip of land similar to the strips of land they've acquired with the highway transfers, and I don't see any major problems on the Government of the Yukon as a result of that.

Q Could you explain, in somewhat more detail, the function of the Local Department in relation to the Local Improvement Districts?

1 A The local improvement
2 districts operate under an ordinance passed by the Legislative
3 Assembly that gives them certain power and responsibilities.
4 The local Government advisors operating out of the Department
5 of local Government are basically involved in advising and
6 ensuring that the local improvement districts stay within
7 the confines of the law. It is a part of the development of
8 local Government, part of the training exercise that goes on
9 and they just ensure that they in fact, get their bylaws
10 written correctly, this type of thing.

11 Q Now, there are municipal
12 services that are provided, are there not?

13 A There are certain municipi-
14 pal services provided by local improvement districts, that is
15 right.

16 Q And where do they get the
17 funding to do it?

18 A From the Government of
19 Yukon Territory and from user fees.

20 Q And these would be the
21 ordinary range of municipal services, would they not? Sewage,
22 water, fire protection.

23 A Where it is available,
24 yes. In other words, every local improvement district
25 doesn't have the same type of service.

26 Q Right, I realize but

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1 | potentially, it is these types of municipal services.

2 | A That is right.

3 | Q Does the Government of the
4 | Yukon Territory, either through the local Government depart-
5 | ment or any other department, provide to other municipalities,
6 | towns, villages, cities -- money in the form of grants or
7 | any other form that is money that municipality has over and
8 | above its own mill rate and taxation?

9 | A Yes, the Municipal Aid
10 | Ordinance provides a per capita payment to all municipalities
11 | of \$41.00 for the first thousand population -- sorry, forty-
12 | six thousand -- \$46.00 for the first one thousand population
13 | and \$41.00 for every thousand thereafter, plus they also pay
14 | a full grant in lieu of taxes.

15 | Q Are there any municipalities
16 | in the Yukon that would be able to continue to provide their
17 | existing -- let's just stick with their existing -- level of
18 | municipal services, solely on the basis of mill rate taxation
19 | under the Property Taxation Ordinance?

20 | A It is a very subjective
21 | question. I would suggest that if one had to do it, they
22 | could do it. They wouldn't be able to maybe provide the
23 | same quality of service that they're now providing.

24 | Q I include that same
25 | quantity and quality in --

26 | A Well, in that case, no.

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1 Q So then, the Property
2 Taxation Ordinance does not constitute a source of revenue
3 for municipalities which makes it possible for them to fund
4 all of the municipal services that they provide?

5 A I wouldn't say that. The
6 municipalities have the power to impose their own municipal
7 tax level and at the present time, in the City of Whitehorse,
8 they're charging 31.2 mills which is probably one of the
9 lowest mill rate in Canada.

10 Q So then the alternative
11 to relying on the grant money from Y.T.G. would be increasing
12 mill rate?

13 A That is correct.

14 Q Present levels of mill
15 rate taxation are not sufficient?

16 A That is correct.

17 Q In your analysis of impact
18 on Local Government, I'm wondering why you did not take a
19 look at some or perhaps all, of the assorted types of
20 municipalities along the Alaska Highway corridor with a view
21 to analyzing whether the even relatively minimal impact of
22 new Foothills activity -- new Foothills employees living
23 there -- causing massive new expenditures as a result of,
24 for example, present water and sewage system simply being
25 at its peak now and unable to accommodate any increase at
26 all?

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1 A Well, I looked at each of
2 the communities. None of the communities are at their peak,
3 they're all relatively new systems, those that have them.
4 The addition to the system would be in additional lateral
5 lines which is paid for in the development of the land and
6 if there were additional major facilities required, the
7 Government of Yukon only contributes ten per cent of them,
8 the Government of Canada puts up the other ninety per cent
9 so --

10 Q So you're saying there
11 are no communities along the corridor that might be faced
12 with the problem of having to make massive new capital
13 expenditures just as a result of a relatively small increase
14 in population?

15 A That is right. I don't
16 see any.

17 Q Turning to highways and
18 public works, Mr. Saker, yes, you're there. I believe
19 earlier you told me that in your opinion, as long as the
20 road bed is already built to handle the loads that are
21 going over it, then the number of vehicles going over it does
22 not have any appreciable affect on maintenance costs, is that
23 correct?

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1 MR. SAKER: That was my opinion, yes.

2 Q So you would stand quite
3 firm in saying that figures like 500 trucks a month, just
4 big tractor trailer units, however many tons they end up
5 being in gross vehicle weight, would not have any appreciable
6 effect on increasing maintenance costs?

7 A That's right, as long as
8 those vehicles are within the limits that each government
9 might put on to the highway wherever we're travelling on, that
10 the highway should take any given number of vehicles. I also
11 stated that the worst effect on highway was not numbers but
12 weather and weight. I reiterate that statement as well.

13 Q You don't think that more
14 frequent grading to smooth out the surface would be necessary?

15 A Well, grading doesn't primarily
16 smooth out the surface, it returns the gravel that has been
17 moved from the centre of the road to the shoulders, back to
18 that portion of it. It would have to be done on the same
19 regular basis. I doubt that it would require much more than
20 what was required when traffic to the Alyeska Pipeline took
21 place, or during the heavy influx of tourists during a summer
22 season.

23 Q Well, now I'll ask a stupid
24 question. How does the gravel get moved from the centre of
25 the road to the shoulders?

26 A By traffic.

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1 Q By traffic?

2 A High speed traffic primarily

3 Q High speed. What do you mean
4 by high speed?

5 A Well, I don't know if you are
6 a fast driver or not, but it could be 70 or it could be 50
7 or whatever.

8 Q Now doesn't the number of
9 vehicles affect that at all?

10 A Not depreciably, in my opinion.

11 Q Doesn't tire size affect that?

12 A Not appreciably, no.

13 Q You say not appreciably, does
14 it affect it any?

15 A No, I don't think it does.

16 The small tires of the old Model-T's
17 would have a more damaging effect than the tires that we
18 have on our modern vehicles.

19 Q What about salting, or
20 watering of the highway to keep dust levels down. It's a
21 gravel highway and it gets kind of dusty. Between the clouds
22 of dust and the clouds of mosquitoes, it is sometimes hard
23 to see?

24 A It may be calcium chloride
25 they use. Calcium chloride depends primarily on the moisture
26 of the atmosphere. If you have a high humidity, then your

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1 calcium chloride will stay a great length of time. Again
2 I don't think it has-- the number of vehicles has too much
3 bearing on how often you would have to apply calcium chloride.

4 Q I see. Does the volume of
5 traffic have any effect on the productivity of the guys that
6 are out there doing the normal servicing and maintenance that
7 has to be done?

8 A No, I don't think so. They
9 put up their "men working" sign and five vehicles or five
10 hundred go around them.

11 Q It doesn't matter how many
12 vehicles are booming along by them, they can continue to
13 work as fast.--

14 A I would think so.

15 Q -- as if there were no
16 vehicles at all?

17 A I would think so. Unless
18 they are going to cut right across the Highway, Mr. Horton.

19 Q Mr. Miller, are you able to
20 tell us what volume of traffic emanated from the Alyeska
21 project?

22 MR. MILLER: I don't have the numbers
23 here, but just going from recollection, the volume increase
24 from pre-Alyeska to the year when they had the Seattle port
25 strike, when the volume really increased, we were talking
26 something in the neighbourhood of 2 to 300 per cent per month.

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1 Q An increase of that amount?

2 A Increase, that is right.

3 Q Are you able to provide any
4 actual factual information about the nature of that traffic.

5 Whether it was workers driving their car, you know what
6 percentage of it was workers driving their cars up there,
7 what percentage was half-ton trucks, what percentage was
8 heavy freight carrying vehicles?

9 A The major increase in the
10 traffic, as measured, could only be measured in two ways:
11 One by the traffic counters on the Highway, which counts
12 axles; and secondly, the number of permits or licenses that
13 were issued as these vehicles, primarily trucks, went through
14 the weigh scales. And when I say 3 to 400 per cent, I'm
15 talking about trucks that went through the weigh scales.

16 Q Weigh scale trucks then? Oh --

17 A Trucks that went through
18 the weigh scales.

19 Q -- speaking of weigh scales,
20 did you address your attention to possible increases of
21 staff being necessary there, simply as a result of the
22 greater volume of freight bearing traffic that is going to
23 have to use those weigh scales?

24 A No, the weigh scales are now
25 manned 24 hours a day, seven days a week. There's no point
26 in adding more people to them, you've only got one scale.

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1 Q Yes. And the present staff
2 there, is in your opinion, going to be sufficient to handle
3 the whole -- all of the volume of traffic as well?

4 A Well, again, you can only have
5 one truck on the scale at a time, so you only need one man
6 to weigh it.

7 Q How many scales are there in
8 the Yukon right now?

9 A One at Watson Lake, one at
10 Whitehorse, and one at Haines Junction.

11 Q Any possibility that the
12 volume of freight traffic is going to be so great, that
13 one or more of those weigh scale points, that it will be
14 necessary to add additional weigh scale sites?

15 A I wouldn't imagine so. There
16 is a number of ways that you can handle additional traffic:
17 You don't have to weigh them all.

18 Q Why do you say they don't all
19 have to be weighed?

20 A The only reason you weigh them
21 is to ensure that they are within the weight limits. Now,
22 if you get a truck coming up the highway loaded with lumber,
23 once you've seen one truck full of lumber, you know what it
24 weighs, so why weigh them all? You are not going to be out
25 very far and as long as it is appreciably below the weight
26 limit, there is no concern.

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1 MR. CHAIRMAN: I think

2 Mr. Saker has comment on that.

3 MR. SAKER: Sir, Mr. Horton --
4 what Mr. Horton is referring to is that our trucks were
5 proposed to be carrying three links or three joints of pipe
6 and they'll have an average length of about sixty-five feet,
7 so regardless of the number of vehicles that are carrying
8 three joints of pipe, you can assume that they're all going
9 to be within a very few pounds of one another of being what
10 one truck might weight and we would assume that if traffic
11 got that heavy, that the weigh scalers could -- would bypass
12 the three joints of pipe for commercial traffic of unknown
13 weights inside the van.

14 Q Okay. Turning now to
15 health services, I wonder first of all, what is the factual
16 basis upon which you come to the conclusion that there will
17 be ninety-five hospitalized accident cases during construc-
18 tion. Why nine-five rather than a hundred and fifty-three
19 or seventy-three or --

20 MR. MILLER: It is a statistical
21 calculation based on the pipeline industry's data and the
22 number of -- data based on the number of accidents per
23 million man hours worked.

24 Q That is the sole basis
25 of that calculation?

26 A That is correct.

1 Q Does it in any way, take
2 into account the possibility of unique features of the con-
3 struction in the Yukon as distinct from the construction that
4 went on elsewhere?

5 A Well, I think Mr.
6 Littledale the other day, indicated that he didn't see any-
7 thing unique between a pipeline through the Yukon and a
8 pipeline through Northern B.C., the terrain is much the same,
9 the conditions are much the same.

10 Q Now, this phrase
11 'hospitalized accident cases' -- you're referring to accidents
12 on the job itself, are you?

13 A We're referring to
14 accidents that would occur on the job but would result in
15 hospitalization of the individual.

16 Q You have no statistic
17 related to accidents on the job that would require medical
18 services, short of hospitalization?

19 A There are some numbers in
20 the socio-economic statement --

21 Q But you haven't included
22 them in your report?

23 A No, because it is the
24 Applicant's intention to provide their own medical and first
25 aid facilities at their camp.

26 Q I see, so that is why you

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1 | didn't include it?

2 | A That is right.

3 | Q So then you're assuming
4 | that they will provide a sufficient level of health care
5 | services to look after everything, all job related accidents
6 | other than hospitalization ones?"

7 | A That is the intention,
8 | either the Applicant or the pipeline contractors.

9 | MR. BURRELL: Mr. Horton, I
10 | think if you look in our socio-economic statement, you'll
11 | find that we have looked at the statistics regarding accidents
12 | on pipeline and related them to the number of man hours
13 | required on this job and then having taken that, related it
14 | to the amount that would be handled within the camp, given
15 | the facilities that are proposed there and also then related
16 | it to the spare capacity or the capacity of Whitehorse
17 | facilities. That matter has been addressed in our statement
18 | and as far as the amount of traffic which is anticipated on
19 | the highway as a result of our project, that was a matter
20 | I think that was addressed the last time we appeared here,
21 | but we referred to Table Number 5A, 5.4 which is on Page
22 | 5A, 5.3A of our document which is the analysis that we had
23 | done regarding the flow of traffic on the highway.

24 | Q Yes, okay, but still in
25 | all, this estimate of 95 hospitalized accident cases is
26 | shown as the sole impact on the Government of the Yukon

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1 Territory in terms of health care services and it assumes
2 that Foothills will in fact be looking after everything that
3 doesn't require hospitalization, is that correct?

4 MR. MILLER: That is correct.

5 I think if you refer Mr. Horton, to 5A, 5.11 under the
6 Department of Health and Welfare in the socio-economic state-
7 ment, you'll see the rationale that was used.

8 Q Okay, now, you make the
9 statement that no cost should be incurred by Health Services
10 Branch, as these costs should be paid for by Workmens' Compen-
11 sation.

12 Now, who are -- these Workmens'
13 Compensation people are Y.T.G., aren't they? Or are they?

14 A No, the Workmen's Compen-
15 sation in most cases for pipeline contractors will be handled
16 by the province that the contractor comes from.

17 Q Why do you say in most
18 cases?

19 A Well, I indicated the
20 other day that the contractor has the option of continuing
21 his coverage under the province or provincial jurisdiction
22 or transferring to the Yukon. My analysis would indicate
23 that in most cases, they will stay with the province because
24 it is a job of such short duration, they wouldn't want to
25 transfer it.

26 Q So, you're assuming that

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1 that will occur?

2 A That is right and if it
3 doesn't occur, then as a contractor under the Yukon Workmen's
4 Compensation ordinance, they will be paying assessments to
5 the Government of Yukon who is only acting as a trustee of
6 those funds for the employers.

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1 Q But still in the event of the
2 assumption that you have made, that the vast majority of
3 these Workmen's Compensation cases are going to be looked
4 after out of Territory does not appear to be true? There is
5 going to be an impact on Workman's Compensation here, isn't
6 there?

7 A Well, there may be, but my
8 point is, that if there is there will be additional assessments
9 accrue to the Workmen's Compensation fund.

10 Q Has it been the policy of the
11 'them's that control' and the policy of the Workmen's
12 Compensation fund to recover by means of assessment on the
13 employer, the entire 100 per cent of the cost of the
14 workmen's compensation?

15 A Not on the individual
16 employer, but certainly on the class of employer.

17 Q So Workmen's Compensation
18 recovers 100 per cent of all of it's costs through assessment
19 on the class of the employers?

20 A On the class, that's correct.
21 Either through current rates or adjusting future rates.

22 Q And if the claims on the funds
23 turned out to be so great that the fund is insufficient to
24 finance them, then kind of in arrears, assessments are
25 increased?

26 A That is correct. They have

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1 the ability to re-assess, either on past experience or on
2 future, anticipated future.

3 Q Now, there must be some
4 statistical basis available to draw some, however tentative
5 they may be, conclusions about the extent to which sickness
6 or non-job related accidents of Foóthills' employees, and
7 their sub-contractors' employees would place a demand on
8 medical service in the Yukon?

9 A I suppose one could draw a
10 number of hypothesis, and attempt to rationalize some number.

11 Q You have not drawn any such
12 hypothesis here under the heading of 'Health Service'? I'm
13 wondering why you didn't?

14 A Well, again, most of the
15 sicknesses as I see them will be the common cold or things
16 that can be handled in the camps by the medical facilities
17 that will be available there. You may get the odd case of
18 heart attack, or whatever, but that's not unique to this
19 project or to any other.

20 Q No, but surely there are going
21 to be a certain number who are going to have problems, perhaps
22 requiring the attention of specialists that cannot be dealt
23 with in camp?

24 A That's quite possible, although
25 for the most part, the Yukon is relatively short of specialist
26 doctors, and where specialists are required, the people are

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1 evacuated to outside hospitals anyway.

2 MR. BURRELL: Mr. Horton, perhaps
3 Mr. Saker could add to that, having been in the construction
4 business for some time. He could perhaps relate the
5 experience that he has had with respect to non-project accidents
6 and the requirement for medical services.

7 MR. SAKER: Mr. Horton, when I was
8 in the pipeline contracting business, we as contractors were
9 responsible firstly for our employees through W.C.B. assess-
10 ment, then also in the other accidents that you were referring
11 to, or causes of sickness, other than pipeline incidents.
12 Again, in my experience there was almost a negligible amount
13 of this medical requirement.

14 Q That is your own subjective
15 evaluation?

16 A Yes, sir.

17 Q On the basis of your own
18 experience?

19 A Yes, sir.

20 Q Okay.

21 MR. CHAIRMAN: Mr. Horton, if I may
22 interject at this point, I wonder if we might now take a
23 five minute adjournment.

24 MR. HORTON: Sure.

25 (PROCEEDINGS ADJOURNED)

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1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. CHAIRMAN: Gentlemen, may we
3 come to order and recommence proceedings, please?

4 MR. HORTON: Yes. Mr. Miller
5 on, again on the demand for health services, medicare
6 services and what have you, this whole Foothills project,
7 if it goes ahead, is going to involve a very large number
8 at a peak of somewhere around 23 hundred employees up here;
9 it's going to involve a very high increased volume of traffic
10 on the highways, and not only for the purposes of bringing the
11 materials in, but, there has already been the testimony about
12 the busing of workers. Surely one
13 can anticipate a large amount of localized traffic with half-
14 tons and three-quarter-tons and crew-cabs, and things like
15 that. At the same time, all of the regular traffic
16 that we have up here in the Yukon is going to continue

17 There is still going to be some sort of peaking during
18 the summer of the tourist traffic which, by coincidence
19 happens when the construction traffic is going to be peaking,
20 have you, well apparently you haven't, addressed your analysis
21 at all to medical services that would be required as a result
22 of accidents generated by all this additional activity.

23 MR. MILLER: When you say medical
24 services, are you referring to doctor services?

25 Q I'm referring to medical
26 services from your nurses, doctors, hospitals, operating rooms,

1 drugs.

2 A Well, I think there may
3 be additional accidents, there's no question about. How
4 many, I couldn't, I wouldn't even begin to predict. Again
5 I would have to go back to the experience that we had
6 here with the Alyeska situation. There was no appreciable
7 increase in health service requirements, when they were
8 hauling all the material for the Alyeska project, when all
9 the transients were going through. There are accidents
10 caused on the highway, there's no question about it. They
11 happen all the time. The majority of accidents, from my
12 experience in the Yukon, are incurred by non-residents, and
13 those costs are paid for by the health plan from the pro-
14 vince those people come from.

15 Q If the Government of the
16 Yukon Territory, in those cases, recover from the home
17 province, or the home state as the case may be, 100 per cent
18 of the cost to the Government of the Yukon Territory of
19 providing the medical services here.

20 A If they're covered by a
21 provincial health care package, yes, we recover 100, well I'm
22 sorry, National Health recovers 100 per cent of the hospi-
23 talization. The doctor recovers 100 per cent of his bill.
24 If they are not Canadian residents and come from the American
25 states, southern states, in certain instances, there are costs
26 that are not recovered, depending on the ability to ensure

1 that the individual pays.

2 Q With the Americans, you
3 have to pray that they are either insured or are honourable
4 men who pay their debts.

5 A That's quite correct.

6 MR. BURRELL: Mr. Horton, I think
7 what your prime concern here, to me, seems to be the
8 costs that might be incurred by the government that result from
9 in this project, that may be passed on to the people or
10 whatever. This is what -- or cost incurred by government. I think
11 Mr. Miller, in fairness, has assessed that and given his
12 impressions, his analysis of what those costs might be. I
13 think, though, perhaps we're getting into the area of, the
14 general area of impact funding, which we basically spoke to
15 the other day. Maybe I could just repeat the position that the
16 Company does have on that, and it's contained in a document
17 which we filed with the National Energy Board, and is also
18 filed with this Inquiry, and it was prepared in response to
19 a request by the National Energy Board, and it's the socio-
20 economic policies and undertakings of Foothills, and broken
21 into three categories. One is as it relates to pre-construction,
22 one as it relates to construction and one as it relates
23 to the operating and maintenance phase. With respect to the
24 general category of impact funding, we stated that Foothills
25 will be responsible for all the costs which can be reasonably
26 traced to its project. And while certain costs will be easily

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1 traceable to the project, it will be difficult to determine
2 the extent to which other costs should be assigned to the
3 project, if at all. We believe that a procedure must be in
4 place for allocating impact cost prior to the commencement of
5 construction and that we're prepared to work with the appro-
6 priate government agencies in order to establish such a
7 procedure. Now that is the general policy of the Com-
8 pany. Now with respect to getting into and discussing this matter in
9 detail, Mr. Blair will be appearing as a policy witness
10 before this Inquiry, and one of the matters which he intends
11 to address is this very thing of impact funding and expanding
12 upon the position that we've stated here. The other thing
13 I wanted to mention too, earlier you had a concern about the
14 costs associated with the traffic on the highway, increased
15 traffic on the highway. Perhaps Mr. Deyell might add
16 something to that with respect to the experience that he has
17 had in his construction work.

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1 MR. PHELPS: Excuse me just a second,
2 is that Exhibit 5 that you are referring to?

3 MR. BURRELL: I'm sorry, I don't have
4 the exhibit reference number, but I can check that for you
5 if you wish.

6 MR. HORTON: Well, before passing the
7 mike over. It's fine to say that that's what the policy,
8 or the undertakings of Foothills are. What I am focusing
9 on right now, is a particular -- what seems to me to be a
10 specific impact that might very well exist, and yet it
11 appears from Mr. Miller's report that no attention has been
12 paid to this potential impact, even to determine whether or
13 not there is, in fact, going to be an impact.

14 Now, Mr. Miller, did you for example
15 take a look at what happened in Alaska, which is, however
16 good the analogy there may be, it is at least some sort of
17 a situation that is an analogy to a pipeline project here,
18 from which inferences can be drawn. I'm wondering if you
19 took a look at that to find out what effect pipeline
20 construction activity in terms of increased traffic volumes
21 had on accident rates, in Alaska?

22 MR. MILLER: I read the Alaska
23 statements, and for the most part, I don't consider the
24 Alaska experience to be relevant.

25 Q Why not?

26 A Well, I think there are a

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1 number of very major differences between the Alyeska project,
2 and any project that would take place here in the Yukon.

3 Q As it relates to use of the
4 highways?

5 A Not as it relates to use the
6 highway, per se, I'm --

7 Q That's what we're asking
8 about right now?

9 A Yes, but okay, I had a look at
10 what happened in the Yukon as a result of the Alyeska project,
11 which was a major increase in the traffic volumes here --

12 Q Yes.

13 A -- and as I indicated earlier,
14 there was no measurable effect on the demand for health
15 servicing, resulting from that project.

16 Q What is the basis of that
17 conclusion? Do you have some factual basis for that conclusion?
18 It is not stated in your report.

19 A It is, well, let me put it to
20 you this way, that there was no major increase in the case
21 load figures at the hospitals during that period of time.

22 Q Don't you -- isn't there going
23 to be a difference between the traffic patterns and the traffic
24 flow and the traffic volume in the Yukon as a result of the
25 construction in the Yukon of a pipeline, on the one hand,
26 and the Yukon's involvement in the Alyeska, which was merely

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1 the Yukon happened to be a chunk of land that these vehicles
2 had to drive through in order to get up there to Alaska?

3 A Well, I consider traffic to
4 be traffic, however it is generated.

5 Q Well, okay, one specific
6 difference that I can see is that there will be a far greater
7 number of entries and exits off the highway as a result of
8 construction work along the highway corridor than there
9 would have been from Alyeska, where the trucks and other
10 vehicles would tend just to fly through --

11 A Literally correct.

12 Q -- drive through

13 A No fly, I think is the
14 correct term.

15 Q They were going that fast
16 were they?

17 A They were going that fast --

18 Q Stopping for gas here and
19 there?

20 A That's right. And they were
21 driven by truck drivers who had no experience on the Alaska
22 Highway.

23 Q Well, don't you think this is
24 a major difference in the type of traffic pattern?

25 A Well, I consider that experience,
26 and I drove the Highway at that time. I consider that

1 experience to probably be the worst experience that the
2 Yukon will face in a number of years on highway traffic.

3 Q Why?

4 A As I indicated, inexperienced
5 drivers, drivers who were not accustomed to gravel roads,
6 they were, I think in the vernacular that was used at the
7 time, they were Texas Steerhandlers, not truck drivers, and
8 they had no regard for the traffic laws, the normal traffic
9 laws that pertained in the Canadian situation.

10 As I say, I drove the Highway at
11 that time both ways, and at the height of that traffic, and
12 I didn't see too many accidents. There was an awful lot
13 of tourists hanging on to the side of the road, shaking, but
14 nonetheless, there wasn't too many accidents.

15 Q You really don't have --
16 haven't stated in your report, and don't have any statistical
17 basis as the background to your conclusions that there will
18 be no appreciable increase in accident rate, or indeed,
19 just simply number of accidents. I would suggest that rate
20 is not the only relevant thing in terms of how much medical
21 services are going to be required. The number of accidents,
22 even assuming a decreasing rate is also going to be relevant.

23 A No, I didn't draw any
24 statistical analysis of this. As I say, I indicate that
25 in reading the socio-economic statement, I looked at the
26 anticipated increase and decrease in traffic volumes, and

1 for the most part, the traffic volumes are plus and minus,
2 I guess they range from minus 26 per cent to a plus of 33 per
3 cent, and I just don't see that as being a major problem.

4 Now, I suppose history could prove me
5 wrong on that.

6 Q Would you agree with me that
7 the extent of in-migration that results from the pipeline
8 project, if it goes ahead, is going to have, is going to be
9 relevant to a determination of the impact, the total impact
10 on health services in the Yukon?

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1 A I would suggest that if there
2 is an appreciable increase in population as a result of in-mig-
3 ration that it could have an impact on hospital costs, yes.

4 Q So, the whole issue of in-
5 migration is of relevance to demand for health service, isn't
6 it.

7 A It would be, yes. The whole
8 issue. That's assuming there is going to be any appreciable
9 in-migration.

10 Q You did not address yourself
11 to that question under the health services heading I am wondering why?

12 A No, it's intended that there
13 be a separate panel that will address itself to in-migration.

14 Q I see.

15 Now to police services. Did you
16 have any discussions with the RCMP about what their thoughts
17 are on increase in activity that will be required of them?

18 A No, I did not.

19 MR. BURRELL: I might add though, that
20 Mr. Ellwood has and he has had, I believe, a couple of meetings
21 with the local RCMP and discussed our project and I'm not to-
22 tally familiar with what came out of those discussions, but, as
23 I understand, the RCMP are anticipating what concerns may be,
24 result from the project and are, if you want, planning the
25 complement of men required to accommodate any problems which
26 they may see. The point which they made, of course, was that

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1 one of the advantages which the RCMP offers is that if, for
2 some reason, they underestimated their requirements for man-
3 power, then they have a large number of people who they can
4 draw on from other parts of the country.

5 Q Would you agree with me, Mr.
6 Burrell, while you still have the mike, that there is going to
7 be a relationship between the demand for increased RCMP man-
8 power on the one hand, and the extent to which Foothills provide
9 security measures at the construction camp itself? Would you
10 agree that that would have an effect on the extent to which
11 RCMP would have to have increased workload?

12 A Yes, I think it could.

13 Q Would you also agree that the
14 extent of security measures taken by Foothills at construction
15 camp sites particularly, would have a similar relationship to
16 the demand for Yukon Territorial Government Game Branch increase
17 in staff? I'm thinking, for example, just not only stating
18 but actually enforcing your no fire arms in the construction
19 camp policy.

20 A We would enforce that in any
21 case, but I think that the, really, the regulations with res-
22 pect to what the Game Branch would have or what the Government
23 would be putting forward would be something that the Government
24 or the RCMP in itself would enforce. We, ourselves, at the
25 camp would be enforcing our rules and regulations, one of which
26 is that there shall be no firearms in the camp.

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1 Q Mr. Miller, what is the
2 definition of crime that you used for the purposes of your
3 analysis under the Police Services heading?

4 A Well, I assumed all of
5 the normal functions that the RCMP now carry out in the
6 Yukon which is the total criminal code, traffic offences,
7 et cetera.

8 Q So, your definition of
9 crime for the purposes of this analysis includes not only
10 Criminal Code, Narcotics Control Act, Food and Drug Act,
11 but also the Territorial Ordinances?

12 A Where they're administered
13 by the RCMP.

14 Q Yes, that's right.

15 MR. BURRELL: Mr. Horton, I
16 wanted to add one other thing and that is the rules and
17 regulations in our camp would not only include those that
18 are generated from our policy positions, but also those which
19 would be generated from any terms and conditions which might
20 be contained in the permit that we have.

21 Q Yes.
22 Now, what was your definition of
23 crime rate, Mr. Miller?

24 MR. MILLER: Crime rate?

25 Q Yes.

26 A Well, I would assume the

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1 standard statistics that are generated by the police, the
2 number of offenses per population.

3 Q Offenses per population,
4 okay. Now, are you talking convictions per population?

5 A Well, --

6 Q You see, there's a big
7 difference between --

8 A I realize that there is --

9 Q -- Convictions on the
10 one hand and complaints which are investigated on the other
11 hand.

12 A Yes, I quite realize that.

13 Q I'm just wondering which
14 of these two rates it is?

15 A It seems to me that the
16 numbers that are generated by the RCMP -- and I'm going by
17 memory here -- are complaints per thousand.

18 Q Now, you say on the
19 basis of -- you say that no crime rate will be increased --
20 that you don't anticipate an increase in crime rate, but
21 would not simply the incidence, the number of complaints have
22 an effect -- have an impact on the RCMP policing?

23 A It could have an increase
24 -- I've also said that I don't anticipate that they will in-
25 crease in any substantial number.

26 Q You don't -- you're not

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1 anticipating any increase in the incidence of complaints
2 then? In the number of complaints?

3 A I don't anticipate that
4 they would be -- there would be any major increase.

5 Q Why do you say you don't
6 anticipate it. Do you have any statistical basis for that
7 conclusion?

8 A I don't.

9 Q I'm wondering why you
10 restricted yourself solely to the policing costs and did
11 not also address your attention to the other aspects of the
12 administration of -- the administration of law -- let's leave
13 justice out of it -- the administration of law -- the
14 Magistrate's Court and the support services of the court,
15 support administrative staff?

16 A Well, in reviewing the
17 statistics, it seemed to me that if one assumes that there
18 is not going to be a major increase in the crime rate, that
19 there wouldn't be any major increase in the number of
20 incidents that get before the courts.

21 Q That is why you didn't
22 look at the court?

23 A Well, I wouldn't say I
24 didn't look at the court, I did look at the total justice
25 system as you know it and if crime doesn't go up, I don't
26 see too much getting before the courts.

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1 Q It would be, as with the
2 RCMP, so also with the Magistrate's Court and its staff,
3 its support staff, simply the number of offenses charged in
4 coming before the court, irrespective of what crime rates is,
5 would have a direct relationship on the demand for the time
6 of the personnel of that court, wouldn't it?

7 A If there is more incidence,
8 it is going to require more time, that is right and more
9 people.

10 Q And I suppose the reason
11 that you didn't look at the probation services aspect of
12 Corrections Branch would be similar to the reason that you
13 didn't look at the court services. You simply don't antici-
14 pate any significant increase in the incidence of crime?

15 A Well, in this -- in the
16 Yukon, the probation services is not -- their caseload is
17 not entirely a function of what happens in the Yukon. It
18 is a function of the number of people that come in and out
19 of the territory --

20 Q Yes.

21 A -- that are on probation.

22 Q Yes.

23 A And that varies from time
24 to time depending upon whether we get the good guys or
25 we get the bads.

26 Q Yes.

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1 Q So then in migration as
2 a result of the --

3 A If they're all probationers,
4 yes, it would have an impact on probationers.

5 Q They wouldn't even have
6 to all be probationers would they?

7 A Well, any significant
8 number. As I say, it depends from time-to-time, on what
9 in-migration we get and it has varied over the years.

10 Q Um-hmm. Turning now to
11 your headings -- headings under revenues to be accruing to
12 the Government, thinking first of income tax, I'm wondering
13 how it is possible to make any real or reasonably reliable
14 estimates on the basis of revenue from income tax without
15 having reasonably detailed statistical data on in-migration?

16 A Well, if you note, Mr.
17 Horton, I have stated my assumptions here and one of my --
18 I didn't state an assumption on in-migration, so I'm projecting
19 that there will be no increase from in-migration. If in-
20 migration happens, then these numbers under-stated.

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1 Q So, these numbers are to-
2 tally without regard to the question of in-migration?

3 A That's correct.

4 Q Does the same thing apply
5 in respect of revenues under the Motor Vehicle Ordinance?

6 A That's correct.

7 Q The Fuel Taxation Ordinance?

8 A That's correct.

9 Q What is the basis of your assumption
10 that only 400 Yukoners will work during construction?

11 A Well, it was based on an
12 analysis that had been done previous and stated in the social
13 economic statement.

14 Q That's the basis of it?

15 A That there are potential
16 600 unemployed that could be working on the pipeline project.
17 They would have skills sufficient to work on it and it's been
18 assumed from that point that if there's a total of 600 possible,
19 that two-thirds of them might.

20 Q So that's the basis of the
21 assumption and therefore your assumption is only as good as
22 those statistics.

23 A My assumption is only as good
24 as those statistics and the fact that that might be some
25 work, which I couldn't guarantee.

26 Q Now, the amount of income

1 tax that's paid, the subject that would be payable by indivi-
2 duals is going to be subject to a huge number of variables.
3 Their total income, the number of dependents they have, the
4 deductions as a result of Registered Retirement Savings Plans
5 and what have you. How did you go about taking into account
6 these variables?

7 A Well --

8 Q Or did you take these into
9 account?

10 A Yes, it's very difficult to
11 assess each individual, so what you do is you use averages,
12 you assume that if there's 400 workers, a half of them might be
13 single, half of them might be married with a family of two
14 children. You have to make assumptions.

15 Q You say you assume. Do you
16 arrive at that assumption or conclusion on the basis of any
17 statistical analysis that has already been done?

18 A I've done it based on the
19 history of what happens in the income tax field, yes.

20 Q What is the statistical basis
21 of those assumptions? Where is it to be found?

22 A Well, if you go back into
23 Statistics Canada numbers, you will find that there are poten-
24 tially "x" number of taxpayers in the Yukon. They pay so much
25 tax and so from that point up you carry on your assumptions.

26 Q So, the whole process is of,

1 process is one of averaging?

2 A It's a process of averaging
3 and estimating.

4 Q Yes. Mr. Average Yukon.

5 A That's right.

6 Q A little bit -- turning now
7 to Motor Vehicle Ordinance, I'm a little bit mystified. You
8 say that no firm indications are available as to the amount of
9 motorized equipment which will be required and yet, on the
10 basis of these no-firm indications, you go ahead and make an
11 estimate of the amount of revenue.

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1 A When I was doing this particular
2 exercise, I had no numbers as to what the contractors would
3 be using in terms of small vehicles, buses, this type of thing.

4 Q So these figures to not reflect
5 any statistical analysis of the number of the big heavy
6 trucks, the number of half tons and crew cabs, or the number
7 of personal vehicles of employees?

8 A No. These numbers are based
9 on the data that was contained in the Alaska Highway 48-inch
10 Pipeline Logistics study done by Trimac, which included the
11 number of dedicated pieces of equipment that would be used
12 on the project.

13 Q What do you mean by 'dedicated'?

14 A Well, they define 'dedicated'
15 as those pieces of gear that would be used exclusively,
16 provided either by a contractor or by Foothills, one of their
17 sub-contractors, exclusively for hauling pipe, fuel, this
18 type of material. They also assume that the majority of
19 other materials would be handled by common carriers.

20 Q Still the fact is, these
21 figures do not carefully reflect any analysis of all of the
22 different types of vehicles and therefore the different types
23 of license fees that are going to be paid?

24 A The only deficiency that I would
25 suggest that is in here would be the number of pieces of
26 small equipment that the contractors or sub-contractors would

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1 be using.

2 Q And personal vehicles too?

3 A And personal vehicles, if any.

4 Q Now these same deficiencies

5 would exist in respect of your calculations of fuel, oil,

6 Taxation Ordinance income too, wouldn't they?

7 A To some extent. In the data

8 produced by Trimac, there is an estimate of the total fuel

9 oil that they anticipate using on this project. I have used

10 that estimate.

11 Q Now has there been any

12 statistical differentiation done by you between, first of all

13 to ascertain how many vehicles in each class, you know, there's

14 the trucks carrying the pipe, there are going to be three-quarter

15 and half-ton crew cabs, there's going to be 45 or 50 or 60

16 passenger buses, there are going to be personal vehicles, even

17 idiot though I am, I can foresee these sorts of vehicles.

18 There is no statistical analysis of

19 the number of vehicles within each class is there?

20 A Yes, there is certain data

21 in the Trimac Report. They have defined the dedicated

22 equipment and the numbers and pieces of dedicated equipment:

23 tractors, trailers, et cetera. In the socio-economic state-

24 ment, there are indications as to the number of buses that

25 will be used and the number of pieces of equipment that

26 Foothills will be using. I have broken those into their

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1 various classes and priced them at the current license rates.

2 Q No, I'm thinking now of the
3 fuel tax. These are relevant factors, both to fuel tax and
4 the --

5 A In the fuel tax case, I have
6 used the numbers generated by Trimac as to the total fuel
7 that will be used on this project.

8 Q Did you take into account the
9 varying mile per gallon rating so to speak, of the different
10 types of vehicles?

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1 A For large trucks, I used
2 a number of four miles to the gallon.

3 Q What about the personal
4 vehicles?

5 A The personal vehicles I
6 would assume, if there are any personal vehicles, and it is
7 not the Applicant's intention to encourage people to bring
8 their personal vehicles.

9 Q Yes, I realize.

10 A So, I would assume no
11 personal vehicles per se. There will be certain Yukoners
12 employed on the project using their own personal vehicles.

13 Q I see, so that all of
14 these statistics are on the assumption that none of these
15 fellows that are imported by Foothills, are going to either
16 bring with them their own vehicle or purchase one after they
17 get up here?

18 A That is correct.

19 Q I suppose the Trimac
20 Report would be the basis of your assumption that there is
21 going to be an -- a distribution of 80 per cent distribution
22 and 40 per cent gas?

23 A That is a number that
24 came from one of the Foothills people based on experience.

25 Q I notice no attention
26 is paid to tax on fuel oil for non-vehicular purposes.

Saker, Burrell,
Miller, Devell
Cr Ex by Horton

1 Isn't there some possibility that fuel oil -- taxable fuel
2 oil is going to be used for non-vehicular purposes, such as
3 heating?

4 A There will be a certain
5 amount of heating fuel tax, that is correct, but it will be
6 minimal.

7 Q Now, does this exception
8 -- the exception from the liability to pay fuel oil tax
9 for generating electricity, does that apply where I or any
10 other private individual or Foothills, has its own diesel
11 motor generating electricity?

12 A Yes, it applies to all
13 generating of electricity.

14 Q To all electrical gener-
15 ation, okay.

16 A That is right.

17 Q But you haven't made any
18 analysis at all of the non-vehicular fuel oil consumption?

19 A The numbers that are in-
20 cluded in here include heating fuel tax on all of the propane
21 that is brought in, assuming that that will be used for
22 heating purposes.

23 Q I see, I guess -- I don't
24 think you mentioned that on Page 4 did you, in --

25 A I haven't mentioned that
26 specifically, no.

Saker, Burrell,
Miller, Deyell
Cr Ex by Horton

1 Q Okay. Is there any tax
2 payable to Y.T.G. for aviation fuel?

3 A Yes, two cents per gallon.

4 Q You haven't analyzed that?

5 A I haven't analyzed that
6 because I'm not certain just how much flying there will be
7 required as a result of this project.

8 MR. BURRELL: I think Mr. Saker
9 wants to add something to what Mr. Miller has been saying.

10 MR. SAKER: Mr. Horton, in our
11 estimating the cost of this project, we used all the taxes
12 that we would have to pay in the Yukon as part of our cost
13 to the fuel consumed and as for the use of aviation gas,
14 the use of aircraft will be entirely up to the contractor's
15 own requirements and they too -- those that would use them,
16 will pay that light taxes -- any aircraft coming in here, so
17 succinctly, we have included all the taxes payable in the
18 Yukon on all our fuels consumed whether they're for
19 heating, for the heavy equipment, for the trucks and as
20 Mr. Miller says, we've not taken into account, the gallonage
21 that might be consumed privately.

22 Q Okay --

23 MR. CHAIRMAN: Mr. Horton, does
24 that conclude or are you about to conclude that line of
25 questioning?

26 MR. HORTON: I think I am just

Saker, Burrell,
Miller, Deyell
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1 about. Yes, I am all through, completely. That is it.

2 MR. CHAIRMAN: All right, on
3 that note then, I propose we stand adjourned until 2:00
4 o'clock.

5
6 (COPY OF TELEGRAM FROM K.M. LYSYK, CHAIRMAN TO WARREN
ALLMAND, DATED MAY 17, 1977, MARKED AS EXHIBIT 35)

7
8 (COPY OF TELEX FROM A. KROEGER TO DEAN K.M. LYSYK DATED
MAY 18, 1977 MARKED AS EXHIBIT 36)

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10 (PROCEEDINGS ADJOURNED)

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1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. CHAIRMAN: Ladies and gentlemen,
3 are we ready to resume the proceedings and I'll ask Mr.
4 Goudge.

5 MR. GOUDGE: Yes, two brief matters,
6 sir, before Mr. Bayly commences his cross examination.

7 The first is that I should indicate
8 the Inquiry may, during the course of its proceedings, receive
9 written submissions. They will be kept on file, obviously, at
10 the Inquiry office and the Board will receive copies of them.
11 We have received one already. If any of the participants
12 would like to inspect them, they're free to do so during the
13 normal business hours.

14 The second thing is that Mr. Hudson
15 has advised me that Foothills Pipe Lines has kindly arranged
16 to set up their model and picture presentation that they are
17 making to the communities, in the Territory. It will be set
18 up tomorrow, between the hours of 7 and 9 in the evening, in
19 the Masonic Hall and will be available for the Board to take
20 a look at and, indeed, for any members of the public who are
21 interested to take a look at. That was done at my behest and I am
22 grateful for it.

23 I think, sir, if Mr. Bayly is ready,
24 we could ask him to commence his cross examination.

25 MR. CHAIRMAN: Mr. Bayly?
26 CROSS-EXAMINATION BY MR. BAYLY: Q Mr. Miller, I'd like to

1 start with you, please, sir.

2 Mr. Miller, I'm going to suggest to
3 you that when you undertook this economic review or overview,
4 that you began with a number of assumptions and I'm going to
5 take you through a list of assumptions and I'm going to invite
6 you to agree that these, perhaps among others, were assumptions
7 you made.

8 The first is, and I think that you
9 already answered this in answer to a question this morning, that
10 the Foothills' manpower requirement figures are realistic and
11 will not be exceeded.

12 A I've accepted them as being
13 realistic, yes.

14 Q In fact, you've done more
15 than accept them as realistic, you've based your calculations
16 upon them, would that be fair to say?

17 A That's correct.

18 Q Secondly, that you've assumed
19 that Foothills will adhere to the construction schedules pro-
20 jected?

21 A That's correct.

22 Q Thirdly, you've assumed that
23 Foothills would purchase fuel and other taxable goods in the
24 Yukon Territory in the quantities projected.

25 A No, not entirely.

26 Q You have another assumption,

1 based on something else, have you?

2 A Well, for example, with fuel
3 I assumed that Foothills would purchase the fuel and bring in
4 the quantities as indicated in the Trimac study. Now, whether
5 they bought that through the standard fuel suppliers here in
6 the Yukon or bought it outside and had it trucked in, I didn't
7 make any distinction between them.

Saker, Burrell,
Miller, Deyell
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1 Q I suggest to you as well
2 that you assumed that the Government of the Yukon will be
3 able to control in-migration during construction.

4 A Well, I'm not sure what
5 you mean by control.

6 Q Well, let's say that they
7 will be able to limit it to the numbers that are projected
8 by you in your calculations of how many more personnel
9 will be required by various Government agencies and depart-
10 ments.

11 A In that sense, employees
12 of Government, yes, if you're thinking of those as being
13 in-migrants.

14 Q Are you assuming then
15 that the Government of the Yukon will not be able to control
16 in-migration?

17 A Not total in-migration,
18 no.

19 Q Are you presuming that
20 the Government of Yukon will be able to limit in-migration
21 and if so, to what numbers?

22 A Well, let me put it to
23 you this way. I have assumed that with the hiring policies
24 as adopted by the Applicant and with the quantities of
25 people that I see Government requiring, I don't see any
26 major in-migration pattern developing.

Saker, Burrell,
Miller, Devell
Cr Ex by Bayly

1 Q When you say that you
2 don't see any major in-migration pattern developing, would
3 you say that in-migration will be kept to the same numbers
4 or the same proportions that we see presently?

5 A Well, that is a difficult
6 thing to say. My estimate is that there will be a certain
7 amount of in-migration but it will be relatively small as
8 compared to say the Alyeska situation and it might be
9 slightly higher than what we have presently today.

10 Q Would you hazard a
11 percentage higher than we are presently see today?

12 A Well, in my experience
13 in the Yukon, every year has been slightly different and
14 of course, there is no real numbers to tie this to. It is
15 only a feeling that one develops having watched it develop
16 over the years.

17 I wouldn't think the in-migration
18 would be substantially higher than, for example, when we
19 were doing the Aishihik Power Project.

20 Q And what was the percentage
21 increase that you guesstimated at that time?

22 A In terms of total popu-
23 lation, I wouldn't think it was any more than two or three
24 per cent.

25 Q Could you tell us whether
26 or not there were figures on that or whether that was an

Saker, Burrell,
Miller, Deyell
Cr Ex by Bayly

1 estimate that was made by either you or by the Government?

2 A There are no figures
3 available.

4 Q So, what you're telling
5 me is, you really can't say, based on any statistics, it is
6 just a feeling you have?

7 A That is correct sir.

8 Q Let me suggest to you
9 that you made another assumption in preparing the figures
10 that you prepared and that is that the Government of Yukon
11 departments have adequate staff to take care of their
12 present responsibilities?

13 A That is my feeling, yes.

14 Q And I take if from the
15 answers to the questions this morning, that that is not
16 based on discussions with them but in your past experience
17 as a member of that Government?

18 A That is correct.

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Saker, Burrell,
Miller, Deyell
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1 A That's correct.

2 Q I suggest to you that another
3 assumption you made in the study that you did, was that the
4 pipeline will not be either accompanied by, or followed by
5 large scale hydro electric development, paving of the Alaska
6 Highway, looping of the pipeline as projected, an oil line
7 or an electric production plant.

8 A I assumed that the paving of
9 the Haines Road and the Alaska Highway would be going on
10 around or during the same period, and that --

11 Q Before you go any further, did
12 you take into account that in your figures?

13 A No, I did not take that into
14 consideration in my figures, because I was dealing only with
15 the pipeline impact.

16 Q All right. Would you continue?
17 Did you consider any of the other examples?

18 A I also assume that there will be
19 a major hydro development some time following the pipeline.

20 Q Did you take those figures into
21 account in your calculations?

22 A I did not.

23 Q Did you make any of the other
24 assumptions that any of the other projects would go ahead?

25 A No, the only other project
26 that I see on the horizon, and this is probably a 1985 plus

1 project would be a railway extension.

2 Q And did you take into account
3 the Dempster lateral being built in your calculations?

4 A No, I did not.

5 Q May I suggest to you that
6 another assumption that you made was that the Alaska
7 situation during construction of the Alyeska Oil Pipeline
8 has no or little applicability to the construction of this
9 proposed line?

10 A That's correct.

11 Q Did you take into account the
12 additional or synergistic impact that may be a result of the
13 construction at the same time of the Northwest project,
14 being the extension or portion of the proposed Foothills
15 line?

16 A I considered the Northwest, or
17 the Alaska portion of this line as not having very much
18 impact on Yukon.

19 Q Did you take it into account
20 in the figures that you projected?

21 A I did not.

22 Q Now, would you agree with me
23 that if the assumptions you made, or any of them, are either
24 unrealistic or wrong, that your predictions would have to
25 be modified accordingly?

26 A Yes, sir. I would agree with that.

1 Q Would you agree with me that
2 your view expressed in the projections that you have made
3 is a very optimistic one of the project impact?

4 A Well, I wouldn't say optimistic,
5 I would say possibly realistic.

6 Q Would you agree with me that
7 you have taken an approach which is less conservative than
8 that of the Alaska Highway Pipeline Panel?

9 A Considerably different, yes.

10 Q Would you agree with me as I
11 asked you that the approach which you took is far less
12 conservative than the one taken by the Alaska Highway
13 Pipeline Panel?

14 A Yes, mine would be more
15 conservative.

16 Q Would you agree with me that
17 in no instance you have taken a worse case view of the
18 Foothills proposal?

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1 A When you say worst case
2 view, I assume you're referring some situation which could
3 develop other than what I've assumed.

4 Q Yes.

5 A In that case, yes.

6 Q Now, you gave an
7 answer this morning with regard to an estimate
8 that half of the people coming to work on the project
9 would be married and half would be unmarried. And you stated that
10 you projected that on the basis of income tax figures. Now,
11 I want to know if you have the calculations you made that
12 would lead you to the conclusion that you reached in that
13 answer this morning.

14 A I'm sorry, sir, I did not
15 state -- I don't believe, that half would be married and half
16 would not be married. I said that I based my calculations
17 on income tax on assumptions that certain people or certain
18 proportion would be married, certain would not be married.

19 Q Would you repeat how you
20 made that calculation, please?

21 A Well, in making the
22 assumption -- just let me refer to my figures -- in the
23 assumptions I've made, I assumed with the O & M staff of
24 189, that the majority of these people would be families,
25 two adults with one child, and in calculating the income tax
26 impact during construction of the 400 possible Yukon workers
on the project, I assumed that the majority of these workers

1 are single for tax purposes.

2 Q And is that based on
3 projections or demographic breakdowns given to you by this
4 applicant or some other gas transmission company?

5 A No it is based on my
6 assessment of the type of worker who might employed on the
7 project.

8 Q And did you make that
9 assessment in consultation with anyone or with reference with
10 any reports?

11 A No, it was based on my
12 own assumption.

13 Q So you can't tell me whether
14 or not these figures, in fact, are ones that have been
15 generated independently by the oil and gas industry as re-
16 flecting the demographic breakdowns or averages in the
17 industry?

18 A No, I cannot.

19 Q Can you tell me that,
20 Mr. Burrell?

21 MR. BURRELL: No, I'm sorry I can't
22 tell you that.

23 Q You refer to 400 people
24 being two thirds of those unemployed or registered as
25 unemployed in the Yukon who would probably take jobs on this
26 pipeline. Is that correct?

Saker, Burrell
Miller, Deyell
Cr Ex by Bayly

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1 MR. MILLER: I've assumed that 400
2 would. Yes.

3 Q How did you define "un-
4 employed", what does it include?

5
6 A Well the unemployed as
7 contained in the Socio-Economic Statement were those drawing
8 unemployment insurance.

9 Q That would include people
10 who are seasonally employed.

11 A Who may be seasonably
12 employed. That's right.

13 Q They would have to have
14 been employed at some point to be eligible for unemployment
15 insurance. Is that correct?

16 A Well, the study was done
17 in 1976, as I remember it, and I gather they would have had
18 to have been employed prior to that on a considerably diffe-
19 rent basis than today's unemployment insurance.

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Saker, Burrell,
Miller, Deyell
Cr Ex by Bayly

1 Q Does that include people
2 who are largely engaged in subsistence activities?

3 A I wouldn't think so.

4 Q So they would be an
5 addition to that six hundred number?

6 A That is correct.

7 Q And you wouldn't be able
8 to tell me what that number would likely be?

9 A No idea.

10 Q Now, you've stated that
11 the Game Branch would require additional personnel?

12 A I didn't say they would
13 require them. I said they could justify an increase.

14 Q And you said that that
15 increase could be justified on the basis of increased
16 policing of the environment, if I can call it that, is that
17 correct?

18 A No, I think you've taken
19 the words out of context. I stated that the Game Branch's
20 present staff and their continued desire to upgrade the
21 Game Management data and to provide adequate enforcement.

22 Q All right and when you
23 say adequate enforcement, I take that to mean adequate
24 enforcement of game regulations or am I wrong on that?

25 A I would consider that to
26 be correct, yes.

Saker, Burrell,
Miller, Devell
Cr Ex by Baylv

1 Q And I take it that if they
2 are involved in enforcing game regulations, that some of
3 their enforcement will have ramifications in adding to the
4 workload of the courts of the Justices of the Peace?

5 A It is possible.

6 Q What else would they be
7 doing in your mind?

8 A Well, when they're doing
9 enforcement work, they're not always catching people,
10 they're deterring people.

11 Q And in order to deter
12 people, I take it they'll require various bits of equipment
13 including motor vehicles and --

14 A It is possible they would
15 use motor vehicles. It depends upon where they are as to
16 what mode of transportation they would use.

17 Q Have you included in your
18 estimates, any personnel in the Game Department to monitor
19 the effects of the pipeline?

20 A When you say monitor, are
21 you inferring the game management side, in other words,
22 watching what happens to the game?

23 Q Yes.

24 A Well, I assume that
25 enforcement and game management could be largely done by
26 the same individual.

Saker, Burrell,
Miller, Devell
Cr Ex by Bayly

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1 Q And did you make that
2 assumption in consultation with the Game Department or on
3 your own?

4 A On my own.

5 MR. BURRELL: Mr. Bayly,
6 before you leave that subject of the problem associated with
7 wildlife, I think it should be pointed out that the con-
8 struction schedule for this work is based on working a
9 seven day week and from ten to fourteen hours per day.

10 The fact that these people will be
11 employed that length of time, plus the fact that the use
12 or the existence of firearms with the construction forces
13 will largely mitigate the necessity for additional game
14 management personnel.

15 Q And you base that assump-
16 tion sir on the fact that these people won't bring their
17 families who won't live in the Yukon Territory, who won't
18 keep guns for them and who won't hunt themselves?

19 A As a general rule, the --
20 unless the families of the workers contain adult children
21 that are of age to be permitted to use firearms, I think
22 you'll find that the families -- that is the wives -- will
23 not be indulging in any hunting to any significant amount.

24 It has been our experience with
25 these kinds of jobs, that there is relatively little time
26 for any of the families to do -- well, I'm sorry -- for any

Saker, Burrell,
Miller, Deyell
Cr Ex by Bayly

1 of the workers to do any hunting during the construction
2 season. We have never encountered problems with the families
3 themselves. Now, I'm talking of an environment in the
4 south where there has been no restrictions with respect to
5 the existence of firearms on the job and so, since we have
6 not had that problem where we've been somewhat loose with
7 the use of firearms, I really don't think it will be a
8 problem here where the rules will be quite strict.

9 Q I take it you don't in-
10 clude fishing in this category?

11 A I don't personally. I
12 don't really see the families getting involved with fishing
13 in areas that are remote to the existing travel arteries
14 today and I don't think the pressure is going to be any
15 greater there than it would be caused by the tourists as
16 they go through here during the summer months.

17 Q Do you see any possibility
18 that the people when on rest and relaxation, if they happen
19 to have brought their families up in a camper, a Winnebago
20 or whatever, indulging in these activities?

21 A Well, there is no doubt
22 going to be a minor amount of that but I don't really think
23 this is going to be a serious problem to the Yukon or really
24 to any other frontier area, that the workers that I've been
25 associated in the last twenty, twenty-five years that are
26 on that pipeline seven days a week, are only too glad to put

Saker, Burrell,
Miller, Deyell
Cr Ex by Bayly

1 their feet up when they do manage to get a day or two off.

2 Q So the complaints that
3 were made by Alaskans at the Berger Inquiry with regard to
4 their experience, you feel won't apply here?

5 A Well, I'm not aware of
6 the particular complaints that you're referring to. Perhaps
7 if you'd like to enlighten me, I might be able to comment
8 on it.

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Saker, Burrell,
Miller, Deyell
Cr Ex by Bayly

1053.

1 Q I think it was in the evidence
2 of Magistrate Sprecker, when he said that his hunting spots and
3 his customary fishing spots were now being used heavily by
4 outside pipeline workers. You feel that won't happen, even on
5 rest and relaxation here?

6 A No, I don't believe so.

7 Q And what's the reason for the
8 difference, sir?

9 A Well, I really can't comment
10 on that, Mr. Bayly, because I don't know what the Magistrate
11 was really referring to and I'd have to have better information
12 to be able to comment on it.

13 Q You don't think, then, that
14 the pipeline workers that you will hire will be particularly
15 interested in this, even on their rest and relaxation?

16 A Well, I've been associated
17 with a number of major pipelines in British Columbia and Alber-
18 ta and in remote areas, such as we're talking about here, those
19 places that have access roads through them but no lateral roads,
20 if I could put it that way, off of the main lines. I'm think-
21 ing in terms of Westcoast Transmission, when the main artery
22 was the Hart Highway going through the mountains, the pressure
23 of fishing was quite great along the actual road itself. Away
24 from the main road there just wasn't access to permit the peo-
25 ple to get into and so the pressure wasn't great there. As
26 a general rule, these streams and rivers are crossing the road

Saker, Burrell,
Miller, Deyell
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1 and so the pressure is limited to those rather small
2 number of fishing holes, if I can put it that way.

3 Q You feel then that any
4 pressure that will be put on the renewable resources of game
5 and fish in this Territory during pipeline construction and by
6 pipeline workers and personnel, will be within a restricted
7 distance from the roadways?

8 A Yes, I believe that's so.

9 MR. SAKER: Mr. Bayly, I might add
10 that we don't contemplate rest and relaxation, or R and R, for
11 our people. The contractors are not in here for the entire
12 length of time like they were on the Alyeska. It's divided
13 into different seasons and so the maximum amount of time that
14 a man might be in here would be six months and that's the
15 absolute maximum. He'd have to be first in and last out and
16 I think that you're aware that our crews are built up to a peak
17 of manpower and that crew is added, and then, on the decline,
18 and the crews go back to the South, we assume, because that's
19 where we put them on the plane to. So that we just don't
20 anticipate an R and R program in our contractors' estimates.
21 The only thing that could change that would be a union require-
22 ment, and we can't predict that at this time and there's been
23 no indication that they would even ask for it.

24 Q Is that because you haven't
25 had discussions with them or is that because they haven't indi-
26 cated to the extent of discussions that you've already had.

Saker, Burrell,
Miller, Deyell
Cr Ex by Bayly

1055.

1 A Discussions with whom?

2 Q With the unions.

3 A We haven't had discussions
4 personally. The contractors have and there's a lot in the
5 mill already between the contractors, the Pipeline Contrac-
6 tors Association of Canada and the unions.

7 Q And you're not privy to
8 those discussions?

9 A Well, we think that they
10 have the expertise and the experience that we don't have to do
11 the union negotiations much better than we could and we would
12 not enter into those union discussions, other than as a by-
13 stander, I believe.

14 Q Quite apart from that though,
15 the answer to the question is that you aren't privy to those
16 negotiations.

17 MR. BURRELL: Maybe I could add some-
18 thing to that.

19 Q Is the answer the answer to
20 that yes, we aren't or yes, we are?

21 A Well, I was going to add to
22 this and I think that maybe will bring out the answer.

23 Q Oh, all right, you're going
24 to answer it then, Mr. Burrell.

25 A Well, I'm going to try and
26 add something, I think, to discussion.

1 Q To the answer I didn't get,
2 or --?

3 A Well, why don't we, let me
4 say what I was going to say and then you can decide whether I've
5 answered the question or not.

6 But -- we have had discussions
7 with union people regarding the project, both this project
8 and the Maple Leaf project, which we proposed along
9 the Mackenzie Valley, and we've discussed a number of things,
10 granted it's been in a general discussion, nothing specific
11 particularly, but we have outlined our project to them and
12 we didn't get any feedback from them to indicate that anything
13 that we were presenting or proposing was unrealistic and that
14 included the length of time that we were planning to construct
15 the project.

16 Q So if I can also translate
17 that into the question I asked, you have had some discussions
18 that involved the union people. They aren't direct negotiations,
19 but they haven't surprised you by saying that they object
20 violently to anything you proposed?

21 A No, and I think that you're
22 familiar with their presentation that they made at the Berger
23 Inquiry and I think, certainly from that and other discussions
24 that we've had with them, that they're well aware of the pro-
25 blems that are associated with construction of a pipeline in
26 the North and are prepared to work towards overcoming these

1 problems. I think that was fairly clear in what they had to
2 say at the Berger Inquiry.

3 Q Thank you. So you'd be
4 surprised if they came out in opposition to the remarks that
5 you've just made?

6 A Yes, I would. Here again,
7 Mr. Bayly, we have to emphasize that these are preliminary
8 discussions, but in these discussions, they haven't raised
9 any point which have lead us to believe that they would, at a
10 later date, object to something that we have said.

11 Q So the controversy that may
12 have arisen in Alaska over the guns in camp, for example, and
13 fishing rods in camp, is unlikely to occur in this situation?

14 A I think they recognize, they
15 recognize some of the problems that have occurred in Alyeska
16 and I think that's really -- we learn from past experiences.
17 We'll learn from the Alyeska experience, we'll learn from the
18 Berger Report, we'll learn from this Inquiry and, as a result of
19 that, we'll overcome many of the problems that were encountered
20 on the Alyeska experience.

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Saker, Burrell
Miller, Deyell
Cr Ex by Bayly

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1 MR. SAKER: To answer your question
2 succinctly yes, we are kept informed by the Pipeline
3 Construction Association of what negotiations or what is pending
4 with the unions..

5 Q But no, you're not privy
6 to the unions.

7 A Yes, we are.

8 Q But you're not a party to
9 them.

10 A We are not.

11 Q Thank you. Turn to the
12 matter of Highway and Public Works, back to you now, Mr.
13 Miller. At page 226 of the transcript, you had some comments
14 with regard to that, and you stated on that page and
15 on the next page that in Highways and Public Works, the
16 increased traffic resulting from a pipeline project is not
17 expected to result in increased costs for this Department.
18 This assumption is based on the fact that in spite of a large
19 traffic volume emanating from the Alyeska pipeline, there
20 was no measurable effect on highway maintenance costs.

21 Now, we heard evidence yesterday
22 from Mr. Templeton and his Panel that in fact, the direct
23 related highway maintenance cost to the Alyeska pipeline were
24 118 million dollars. I take it you would dispute that figure.

25 MR. MILLER: I'm not disputing what
26 Mr. Templeton has said, I've said that in the Yukon, I don't

Saker, Burrell,
Miller, Deyell.
Cr Ex by Bayly.

1 anticipate any increase in highway maintenance costs.

2 Q But you also said that this
3 assumption is based on the fact that in spite of the large
4 traffic volume emanating from the Alyeska pipeline, there was
5 no measurable effect on highway maintenance costs. Are you
6 talking about Alaska?

7 A -- in the Yukon.

8 Q Can you explain why the
9 highway costs would be so high in Alaska if they weren't
10 measurable in the Yukon?

11 A I'm not an engineer, and
12 I can only surmise that in the Alaska case, they were talking
13 about, number one, paved roads, which do tend to break up
14 with volume and weight, whereas on a gravel road, it does not.

15 Q So, if they pave the
16 Alaska Highway through the Yukon, you may have real problems.

17 A That's right, sir. We
18 have some already, on paved roads.

19 Q One of the engineers, I
20 think, is going to try and answer me on this.

21 MR. DEYELL: Mr. Bayly, I was going
22 to get these few words in that I had in mind earlier on this
23 morning, and we didn't get back around to that. But there
24 are a number of ways that haven't been brought to date. The
25 methods that are commonly used in construction, and I would
26 expect them to be employed here, that would help mitigate

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1 these problems that have been alluded to. I'm thinking in
2 terms of the scheduling of heavy hauling traffic which seems
3 to be a concern with the long daylight hours that you have
4 in the Yukon, it would be no great problem to schedule the
5 hauling of pipe and heavy equipment in what I might refer to
6 as the off-tourist hours of travel. And that is, say,
7 supposedly starting at 6 o'clock at night, and you could
8 run through till midnight without any problem. I think it's
9 fair to say that the majority of tourists, especially those
10 with families, are off the road by that time. You can start
11 very early in the morning, and so you can balance the traffic.
12 And this will help with this problem. With respect --

13 Q I take it, sir,
14 that it would help everybody but the tourists who are camped
15 a short distance from the road.

16 A Well, if you could just
17 wait for a second, Mr. Bayly, I have some answers to that
18 problem, too. And this next -- But I'll go on in sequence
19 here. The second thing I had in mind was that the -- with
20 the Alaska Highway, the type of highway it is, the hauling
21 of pipe which is a large material that will be hauled here,
22 can go on year-round, and will go on year-round. Pipe will
23 be hauled in here throughout the year, and I believe that the
24 traffic in roughly 8 to 9 months of the year is somewhat less
25 than it is during the summer.

26 So that my scheduling very heavy

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1 movement of pipe during the winter months, this will help to
2 alleviate or balance the traffic. Now, with respect to the
3 dust and the gravel problem that has also been alluded to, it
4 is quite common practice for the contractors to water down
5 the roads that are being used when they are gravel, to add
6 salt or calcium chloride to it to alleviate the dust. This
7 is common practice.

8 Q Can I just stop you there,
9 before I forget this one, is that a proposal of Foothills?

10 A Well, what I'm really
11 relating to you, Mr. Bayly, I'll ask, is our experiences
12 in the way we've been doing them in British Columbia and in
13 Alberta over a large number of year. I'll ask my colleagues
14 here who will speak with respect to the policy of Foothills,
15 what they really do intend to do. I'm telling you the ways
16 that we normally do it. Now the other thing I wanted to
17 mention with respect to road maintenance, is that it is quite
18 common practice for the contractors to add motor grader --
19 motor patrol equipment to the fleets that already exist
20 either through DPW or municipalities or whatever, to augment
21 the daily maintenance of the road surface. And this is quite
22 common practice in Alberta, and again in British Columbia.

23 So, as far as the policy of Foothills
24 is concerned, I'll let Mr. Burrell speak to that for you.

25 Q Mr. Burrell, are you
26 prepared to do all those things?

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1 MR. BURRELL: As Mr. Deyell points
2 out it's common practice in the South and we consider this
3 pipeline to be a standard pipeline construction in many ways.
4 We would follow the traditional procedures that are carried
5 out in other areas. So, if it was necessary to do the things
6 that Mr. Deyell said, then yes, we would do them.
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1 Q And you would decide whether it
2 was necessary?

3 A I'm sure by observation you
4 could tell whether it was getting dusty or not, -- you know
5 to have a water truck available and put water on the road
6 is really not a big undertaking. They have water trucks
7 available all the time, so I don't see that as any difficulty
8 at all.

9 Q So Foothills would plan to
10 have sufficient water trucks and graders to look after this
11 problem and sufficient calcium chloride stockpiled to look
12 after the dust problem as well?

13 A If it became necessary to do
14 that, yes.

15 Q And when would you know
16 when it became necessary if you were waiting for it to
17 become a problem to find out whether you should do anything
18 about it?

19 MR. MILLER: I think you should realize
20 that the Alaska Highway in the Yukon is now under a
21 dust control program carried out by government, and that
22 government has sufficient maintenance equipment on the Highway
23 to maintain the Highway to it's present high standard.

24 Unless something untoward happened, I
25 don't see any problem.

26 Q They do say the same about

1 the Mackenzie Highway.

2 A No, I disagree with you there,
3 sir. If you refer to the last Northern Task Force Report on
4 roads, you'll find there is quite a difference between the
5 Mackenzie Highway and the Alaska Highway.

6 Q So you feel that you've got
7 that problem licked even without the help of Foothills?

8 A Yes, sir.

9 Q And even with the increased
10 volumes?

11 A Yes, sir.

12 Q So you feel that they shouldn't
13 even be called upon for this?

14 A I don't anticipate that they
15 will be called upon for this.

16 MR. SAKER: Sir, the decision will not
17 be ours anyway. The body responsible for the maintenance of
18 the Alaska Highway -- only they would decide who is going to
19 do that maintaining other than their own forces or the
20 contractor that they have doing that work.

21 Q So you would respond, if asked,
22 by the various Departments of Highways and assist in that
23 program?

24 A We sure would sit down and
25 discuss it with them, yes.

26 MR. DEYELL: I would go a step

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1 further and agree with Mr. Burrell, as
2 representing the sponsors of this project, I would say that
3 we definitely would.

4 Mr. Bayly, with respect though to the
5 equipment that is required for watering the roads and rights-
6 of-way, that equipment is standard equipment with a
7 construction spread. It is there and would be there right
8 from the start, so there wouldn't be any requirement to
9 add that to the equipment that a construction spread would
10 have on it.

11 Q Now, we've heard from you
12 this morning, Mr. Miller, with regards to some of the impacts
13 that didn't result in people going to hospital, but may have
14 resulted in certain deterrents, or unnerving of tourists on
15 the road, but in fact when you have a large amount of
16 equipment and material being hauled on a road by people who
17 are not used to driving the highways in the Yukon Territory
18 or Alaska, you may get tourists who are pretty unhappy about
19 spending a holiday driving up and down this road if they happen
20 to plan their holiday at the time when the staging is going
21 on for this pipeline.

22 Would you agree that that may be a
23 problem?

24 MR. MILLER: It could be a problem,
25 yes.

26 Q And I think you say somewhere

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1 in your report that Yukon Territory depends very heavily on
2 tourist dollars as one of it's prime sources of revenue?

3 A To the extent of about a
4 tenth of the mining industry, yes.

5 Q About \$24 million I suggest
6 to you.

7 A That is approximately correct.

8 Q So it is of some significance?

9 A It is.

10 Q And you wouldn't want to
11 deter any more tourists than you absolutely had to?

12 A Well, I suppose that's true,
13 yes.

14 Q One of the questions I didn't
15 get answered, I guess Mr. Deyell, it's your question,
16 what do we do about these people camped in the campsites
17 by the roadside when you're trucks are rumbling through
18 between six in the evening and midnight and starting again
19 very early in the morning?

20 MR. DEYELL: Well, I suppose in that
21 regard we could make reference to some of the other major
22 highway systems in the country, where there are trucks
23 rolling 24 hours a day. Perhaps there is less noise from
24 a paved highway, I don't know. I'm inclined to think that
25 there is no more noise from a paved highway than there is
26 from a gravel one, maybe even less, and all of the campsites

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1 that exist through our national parks, through, all along
2 the major highways in the country have to contend with that
3 problem now.

4 Q So you're not saying it's
5 going to be good here, but that it won't be any worse than
6 it down south?

7 A Yes, I believe that.

8 Now, I am not aware of just
9 where the campsites are situated in the Yukon with respect
10 to the Highway. Someone else would have to refer to that
11 if their -- I would hope that they are not right on the
12 edge of the Highway now. If I come up here as a tourist,
13 I hope I wouldn't have to park right beside the highway at
14 the present time.

15 Q Now, Mr. Miller, with regard
16 to your comments this morning and those on page 227 of the
17 transcript concerning the land that is held by the Federal
18 Crown of those of the Territorial Crown, is it of any
19 advantage, in your opinion, to the pipeline company to propose
20 it's compressor station sites, or it's construction campsites
21 on Territorial lands or on Federal lands?

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1 MR. MILLER: I don't think it would
2 make any difference.

3 Q So that wouldn't cause
4 you to recommend any relocations?

5 A No.

6 Q "But you would anticipate
7 that most of the lands upon which facilities will be placed,
8 whether they're actually on the right-of-way or off it,
9 will be Federal lands, federally controlled lands?

10 A That is correct, yes.

11 Q So I take it that doesn't
12 necessarily apply to the Dempster lateral where perhaps
13 land use permits would be required in order to place any
14 facilities?

15 A No, in the case of the
16 Dempster lateral, there would be land use permits required.

17 Q And so the Territorial
18 Government would have an involvement there?

19 A Only if it was in the
20 highway right-of-way.

21 Q All right and if the
22 Dempster lateral is actually to be followed, if the
23 lateral is to follow the highway, there will be some of that
24 involvement of the Territorial --

25 A Anywhere that the pipeline
26 is within the highway right-of-way, there would be involve-

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1 ment of the Territorial Government.

2 Q And do you see that as a
3 positive or a negative thing?

4 A I don't think it makes any
5 difference.

6 Q " You stated I believe, that
7 the Yukon land development cost would be approximately
8 \$1,400,000.00?

9 A Yes, that is about
10 correct.

11 Q Yes, \$1,407,000.00?

12 A That is about right, yes.

13 Q Now, at -- in Section 2(d)
14 of Volume 2 of the Foothills Application at 2.1 -- have you
15 got that?

16 A No, I don't have it but
17 I think I know what you're referring to.

18 Q The figure for land cost
19 there is \$1,169,000.00 and I just wonder about the difference
20 of \$338,000.00 and if you can explain that?

21 A I'm sorry, I'd have to
22 find the Volume. Is 2(d) the forty-eight inch option or
23 the forty-two?

24 Q 2(d) -- 2.1 -- and I'm
25 not sure whether it is the forty-two or --

26 A I think it is the forty-

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1 one -- I'm sorry -- the forty-two inch option.

2 Q Yes.

3 And does that make it any easier
4 for you to explain the discrepancy?

5 A Well, the numbers I've
6 used are the numbers that came out of Foothills' estimates
7 which appeared to me to fairly represent the cost of land.

8 Q All right. If they
9 fairly represent the cost of land, why is your figure
10 \$338,000.00 higher than theirs?

11 A Well, I'm sorry. I would
12 have to check to see where your figure came from.

13 Q All right. Perhaps you
14 could check that and at some point during this afternoon,
15 tell me if there is an explanation.

16 A All right.

17 Q Do you have any thoughts
18 or opinions as to whether the Yukon Government assessment
19 section is presently undermanned or whether it is satisfac-
20 torily staffed?

21 A It was understaffed during
22 the course of last year because they were doing a general
23 reassessment in the City of Whitehorse but for all intents
24 and purposes, that happens once every five years so as I
25 understood it, once they get over that hurdle, they would
26 have adequate staff for the foreseeable future.

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1 Q They did a 1976 Assessment,
2 I take it then, the previous one was 1969, is that correct?

3 A That is about right, yes.

4 Q So they may have been
5 two years behind?

6 A " They were in fact behind
7 for various and sundry reasons.

8 Q You have stated with
9 regard to health services, that you don't anticipate any
10 extraordinary load on local medical/dental facilities, is
11 that correct?

12 A Well, based on the infor-
13 mation from the construction -- the pipeline construction
14 industry, I've made that assumption, that is right.

15 Q In your opinion, are the
16 dental and medical health needs of Yukon Territory residents
17 adequately looked after at this point?

18 A I would say from a General
19 Practitioner's standpoint, yes. Those that can't be
20 handled here, are adequately handled outside.

21 Q From a General Practitioner's
22 standpoint, do you mean the normal medical problems can be
23 handled here?

24 A That is correct.

25 Q What about dental problems?

26 A " To my knowledge, we have

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1 probably one of the best dental programs in Canada.

2 Q And do you have a problem
3 with backlog of dental problems in the smaller outlying
4 communities?

5 A The present dental staff
6 or the present dentists in the territory travel to the
7 outlying communities.

8 Q How many dentists are
9 there in the Yukon Territory?

10 A You're testing my memory
11 but if I said six, I wouldn't be out one.

12 Q And the population?

13 A Twenty-five thousand.

14 Q So each dentist looks
15 after just over 4,000 people?

16 A Yes, you almost -- also
17 must realize that there is something in the neighbourhood
18 of 8 or 9 dental therapists who work in the school system.

19 Q But apart from that, if
20 people are to visit the dentist once or twice a year, the
21 dentist has to see either four or eight thousand people.

22 A Assuming they all did that,
23 yes.

24 Q Yes, so there are probably
25 some people that aren't getting dental care in that
26 frequency?

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1 A Well, that is correct --
2 I would assume that is correct, yes.

3 Q And would you anticipate
4 that with any increase in population, the dentist would
5 be -- would have larger caseloads?

6 A " Assuming more dentists
7 didn't arrive on the scene.

8 Q And are you aware that
9 they have had problems getting adequate numbers of dentists
10 into Alaska?

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1 A No, I wasn't aware of that.

2 Q Have you spoken to the den-
3 tists to see whether they feel that they are adequately cover-
4 ing the dental care needs of the residents of Yukon?

5 A No, I have not.

6 Q So this is an opinion, it is
7 your opinion that the dental care facilities are as good
8 as any in the country?

9 A Well, when I said that I was
10 referring to the dental program that is offered to the general
11 population and more particularly to the school children. In
12 other words, the government provides free dental care for all
13 children between the ages of five and, I think it's either 14
14 or 16, at the present time.

15 Q Are you aware of how long it
16 takes to get a dental appointment in Yukon?

17 A From recent family experience,
18 yes, about six weeks.

19 Q And do you feel that that is
20 adequate?

21 A Well, that's a normal appoint-
22 ment, if you have an emergency, they're prepared to take you as
23 they can.

24 Q Now, with regards to Health
25 Care Insurance, have you added into your calculation the pos-
26 sibility that the Health Care Insurance Plan in Yukon Territory

1 will have to have an increased staff to handle the paper work
2 and -- that is involved?

3 A No, because I don't antici-
4 pate too much increase in paperwork.

5 Q And have you canvassed them
6 to determine whether they have adequate staff to do their job at
7 present?

8 A I haven't spoken to them spe-
9 cifically about it. Again, I have to refer to experience on
10 that matter.

11 Q Have you spoken to them
12 generally about it?

13 A No, as I say, I did not speak
14 to them about it. I have used my experience in the Government.

15 Q Did you foresee an increase
16 in the Workmens Compensation Board's staff workload?

17 A No, I did not.

18 Q And do you think that is a
19 possibility?

20 A I suppose it is a possibility,
21 yes.

22 Q You've talked about industrial
23 accidents and given us at least one number, that being 95
24 accidents. Do you have any idea of the proportion of Workmens
25 Compensation Board's cases in ratio to the number of accidents?
26 That require hospitalization, I believe that was the 95 figure.

1 A No, no, I don't.

2 Q So you --

3 A But I also stated that most
4 of these Workmens Compensation cases would be out of the Terri-
5 tory.

6 Q That's based on the fact that
7 extra-Territorial contractors would use extra-Territorial
8 Workmens Compensation schemes for their workers?

9 A That's correct.

10 Q Including their local hire.

11 A Their local hires they would
12 have to cover themselves.

13 Q That is the local hires would
14 have to cover themselves?

15 A The local hires would have to
16 be covered by the contractors in the Yukon.

17 Q So, of that portion of - is
18 that 1,600 local hires, those that had accidents---

19 A I indicated approximately
20 400 additional workers.

21 Q That's 400 from the unemployed
22 here, is that correct?

23 A That's correct.

24 Q And, you estimated of the
25 2,300 workers, 800 would come from outside?

26 A That's correct.

1 Q And then where would the
2 1,600 come from?

3 A I didn't say.

4 Q Four hundred of them would
5 come from here and 800 --

6 A The balance would either come
7 from the normal work force or would come in from outside.

8 Q So, some of those would come
9 from here?

10 A Yes.

11 Q And, you said that 800 would
12 come from outside. We could add up to an additional 1,200
13 coming from outside.

14 A Correct.

15 Q But you feel that there's a
16 number in there of people transferring from other jobs, in the
17 Territory..

18 A I would think there would be
19 some, yes.

20 Q And that is a number, you
21 don't even want to hazard a guess at, I take it?

22 A That's correct.

23 Q Have you done any work to
24 determine whether anybody would have the expertise to forecast
25 that kind of a number?

26 A Based on the statistics that

1 I know of that are available in the Yukon, I doubt that anybody
2 could, with any degree of accuracy.

3 Q That is with anyone in the
4 Yukon. Have you looked outside the Yukon for assistance in
5 this regard?

6 A No, I have not.

7 Q One thing, Mr. Miller, how
8 long have you been working on this particular study?

9 A For approximately six weeks.

10 Q Did you look at the question
11 of
12 /tourism and the effects on tourism of the pipeline construction
13 as part of your study, Mr. Miller?

14 A I think you'll have to be a
15 little more specific on that.

16 Q Did you examine the budget
17 of the Tourism Branch of the Yukon Territorial Government?

18 A I'm familiar with the budget,
19 yes.

20 Q Did you examine the task that
21 is performed by that Branch to determine whether they would
22 require additional expenditures, either to discourage tourism
23 or to re-encourage it during the construction period?
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1 A I would suggest that they
2 have sufficient money and staff.

3 Q You didn't talk to them
4 though, about what they thought they might have to do if
5 this pipeline went through, either to adjust their
6 objectives or to meet the present objectives?

7 A No, I have not.

8 Q I take it that since Foothills
9 has suggested that Yukon Territorial Government should be
10 involved in the definition of what a Yukoner is, that they
11 will require certain budget or man hours to make that
12 determination?

13 A Well, I would suggest that
14 that is a policy matter that would be handled by existing
15 staff.

16 Q But it is an extra task
17 related to this project?

18 A Yes.

19 Q Have you got any suggestions
20 with regard to taxation as to how you would assess the
21 pipeline and the facilities associated with it for the
22 purposes of property taxation?

23 A The pipeline is laid out
24 in Regulations at the present time, there is one minor
25 deficiency, they haven't gone as high as a 48-inch pipe,
26 but they do go to a 46 - inch pipe which spells out the

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1 per mile cost of assessment. The compressor stations and
2 other buildings will be assessed the same as they assess
3 all other buildings in the Yukon.

4 Q And I take it this is done
5 by Regulation and not through change in the Ordinance
6 itself?

7 A I'm sorry, with respect to
8 what? The pipe itself?

9 Q The pipe assessment.

10 A It is done by Regulation.

11 MR. BAYLY: Mr. Chairman, if this is an
12 appropriate time for coffee, I would appreciate a minute
13 just to see how far I am getting along.

14 MR. CHAIRMAN: Certainly. We'll take
15 our break for about ten minutes.

16 (PROCEEDINGS ADJOURNED)

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PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT

MR. GOUDGE: Before we resume, sir, perhaps I should indicate that the Chamber of Commerce, which we hope to have presented either tomorrow or Friday, is available for the participants in the Inquiry office. Some of the participants may already have the first part of it. There is an appendix to it, a second part, an appendix and if participants haven't got that they can pick it up in our office as well.

Sorry, Mr. Bayly.

MR. CHAIRMAN: Mr. Bayly, whenever you're ready, please.

MR. BAYLY: Thank you, sir.

Gentlemen, you've heard Mr. Miller's opinion that the Alaska experience and the construction of the Alyeska pipeline offers very few, if any, lessons, very few, if any, parallels that we can draw to the Yukon situation with this proposal that you've put forward. Do you share that opinion, first of all, Mr. Burrell?

MR. BURRELL: Well, I think, in the work that we've done, we're satisfied that you can't make a direct, across-the-board comparison and, of course in other areas, because of the situations that have occurred in Alaska and policy positions which the company has put forward, particularly in the area of hiring halls and the hiring of people, say within the local area, we feel that these will go toward

1 minimizing those impacts that were experienced on the Alyeska
2 situation.

3 Q So you're not saying that it
4 doesn't offer parallels of what couldn't happen here, but that
5 you've learned enough from the experience to say that you can
6 design policies so that much of what happened there won't
7 happen here.

8 A Well, as I said before, I
9 think that it's a very, it's very good background for this
10 project to find out where the problems have been, but there are
11 things that we believe make the project, our project different
12 from Alyeska.

13 One of them, of course, is the fact
14 that when the, and we feel this is important, that when the
15 construction of the section in the Yukon is going on, there
16 will be considerable pipelining ^{being} done in British Columbia and
17 Alberta and we feel that's a very important factor in minimiz-
18 ing the amount of, the number of people that could come to the
19 Yukon. We think that's quite significant.

20 Q Now, again, Mr. Burrell, but
21 a different subject at this time. We have the accident rate
22 that was quoted by Mr. Miller being a rate based on the number
23 of accidents per million hours of work. Is that an Operations
24 and Maintenance or a construction figure?

25 A Mr. Miller advises me that's
26 the construction figure. We have some numbers in our document

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1 here, the socio-economic statement, I just have to look at
2 that and see if I can find it. There's a section in our docu-
3 ment which refers to the experience in the pipeline industry in
4 Canada and then related that to the number of man hours that we
5 would see in our project in coming up with a forecast of the
6 number of accidents that we might expect and also the number
7 of accidents which require hospitalization. It's on Page
8 5.A.511 of our -- 5.A.511 of our document, and it says, "Based
9 on the experience of the pipeline industry, approximately 60
10 accidents are anticipated per million man hours." And then
11 from there it goes on to, "...Consequently, about 480 accidents
12 can be anticipated, 95 or which may require hospitalization."

13 Q Now, you've said that's a
14 construction figure and you confirm that, Mr. Miller, I take
15 it?

16 MR. MILLER: Yes.

17 Q And, does that include acci-
18 dents that may be involved in the staging or logistics portion
19 of the plan?

20 MR. BURRELL: I'm afraid I don't
21 have the background papers that were used to develop these
22 numbers, but I would assume that these numbers were based upon
23 the manpower requirements for the project, which would include
24 all the aspects of the pipeline construction.

25 Q Well, do you think you could
26 check that out for me, Mr. Burrell?

1 A I'd be pleased to do that,
2 yes.

3 Q - -and just see if they're
4 based on actual construction or construction and movement of
5 goods and equipment. In other words, you'll be running a lot
6 of equipment into this part of the country and that may generate
7 a separate set of figures.

8 A It would be -- as I would under-
9 stand this, it would be the, relate to the work force required
10 for the construction of the pipeline, not only the pipeline
11 construction, the logistics people involved with our project,
12 the construction of the compressor stations.

13 Q You see, we've heard from
14 Mr. Templeton and his panel that there are quite a large num-
15 ber of road accidents in this Territory, compared to the rest
16 of the country and I'm wondering if you've taken into account
17 the possibility of road accidents. As I understand the logis-
18 tics portion of the Alyeska project, that was a large source of
19 the accident figure on that--
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1 A I am going to have to come
2 back to you on that, Mr. Bayly.

3 Q Would you? I would appre-
4 ciate it if you could supply both me and the Inquiry with
5 that information.

6 A Yes, I'll do that.

7 Q Mr. Burrell, with regard
8 to the definition of the term 'Yukoner' for the purpose of de-
9 ciding who shall be a local hirer and who shall not be
10 eligible, I realize you've left this definition to other peo-
11 ple, but will you indicate to me, please, whether there are
12 certain definitions that you might find unacceptable in terms
13 of your having to get an adequate force, and a force that is
14 able to have the skills required to build this project?

15 A I can't think of any that
16 might be unacceptable. I think what the purpose of the
17 definition of Yukoner is as we see it here, would be to enable
18 the local residents to maximize the employment benefits
19 which the pipeline offers. I would think that if -- whoever
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1 sets it and have suggested that perhaps this Inquiry may or
2 the Government of the Yukon, if they were to set it
3 too minimum time span, it could be to the disadvantage of
4 Yukoners.

5 But I think as far as we're concer-
6 ned, the definition of Yukoner should be by others, not by us.

7 Q If I were to suggest to you
8 an absurd example, perhaps, that only people born in the Yukon
9 should be eligible. Would you be able to make up the ob-
10 jective of local hire from that portion of the population?

11 A It would tend then to eliminate
12 from the local hires policies if you wish. It would tend
13 to eliminate -- not tend, it would eliminate ^{those} people that were
14 not born in the Yukon, but had spent a number of years here.
15 From that standpoint, I would think that that would not be
16 fair or just.

17 But here again, I think that the
18 Government has to look at what they feel is the best defini-
19 tion of Yukoner to maximize the benefits to Yukoners them-
20 selves.

21 Q Now, I'm not putting that
22 forward, suggesting that it is fair or just. What I'm putting
23 it forward to do, is to see whether there are some situations
24 in which you could not hire sufficient local people with the
25 kind of expertise you want if the definition were too stringent.
26 If the length of time required of a local resident excluded

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1 too many people who are potential members of your workforce.

2 A I think really that the
3 definition Yukoner is more from the Yukoners' standpoint
4 themselves, which is to enable Yukoners to maximize, to
5 obtain the maximum benefits from the employment opportunity
6 to the project.

7 If it turned out that the definition
8 was too strict, it may result in the need to bring in people
9 from the South. Because, what we said is we wouldn't hire --
10 we would hire local people locally, and people from the South
11 would be hired outside. So I think if you would make too
12 strict, you would put many of the people in the Yukon, who
13 should have an opportunity for this employment, at a dis-
14 advantage.

15 Q And you are prepared to
16 accept the figures of Mr. Miller, that there may be 400
17 unemployed people out of the unemployment pool in Yukon
18 Territory, plus an undetermined number of up to 12 hundred
19 who would shift from other jobs, who might form that pool of
20 people.

21 A I have no reason to dispute
22 what Mr. Miller said.

23 Q And at the same time, do
24 you dispute the figure that was suggested by Mr. Templeton
25 and his Panel, that every 2 years, 55 per cent of the Yukon
26 non-native population migrates in and migrates out.

1 A Mr. Miller probably would
2 comment on that.

3 MR. MILLER: I think I would dis-
4 pute that figure.

5 Q What figure would you
6 supply, Mr. Miller?

7 A I would suggest that
8 there's probably something in the neighbourhood of about 20
9 per cent turnover, in about 20 per cent of the jobs available.

10 Q 20 per cent turnover in
11 the existing jobs?

12 A 20 per cent of the jobs
13 available. And you get quite a different impact. In other
14 words, what I'm suggesting is that in the same jobs that you
15 get the turnover.

16 Q Are we suggesting diffe-
17 rent things? Am I talking about apples and you are talking
18 about oranges?

19 A I think that's about right.

20 Q -- that if a certain pro-
21 portion of people move out, they move out with their families,
22 some more people move out even though not as many jobs change
23 hands.

24 A What I am suggesting is that in most
25 industries, there is about a 20 per cent turnover of workers.

26 Q Per year.

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1 A That is right. So it is the same 20 per
2 cent of the jobs that are turning over every year. In other
3 words, the other 80 per cent are relatively stable.

4 Q Now, if there are 20 per
5 cent of the jobs changing over, what number at the present
6 does that represent?

7 A What, of jobs or people?

8 Q Yes, of jobs.

9 A Well, there's roughly
10 ten to eleven thousand jobs available in the Yukon.

11 Q So, that would be about
12 a thousand --

13 A About two thousand.

14 Q Two thousand jobs turning
15 over in any event?

16 A That is right.

17 Q So, that if we were
18 talking about four hundred unemployed, two thousand people
19 turning over their jobs in any event, plus up to twelve
20 hundred people transferring from existing jobs to pipeline
21 jobs, have you done any calculations to see how -- what
22 proportion of the population you would have moving in and
23 out during pipeline construction?

24 A No, I haven't

25 Q And would that calculation
26 be possible to make?

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1 A Yes.

2 Q Could you make that and
3 supply us with that figure?

4 A Yes.

5 Q Mr. Burrell, if I could
6 refer to your evidence given May 13th, referring specifically
7 to Page 446 of the transcript -- do you have a copy of the
8 transcript there --

9 MR. BURRELL: I'm sorry, I don't.
10 I have the evidence in front of me here though.

11 Q Have you -- all right.
12 Well, it is in the cross-examination by Mr. Templeton and
13 I'll read you the question and the answer and then ask you
14 my question. This is 446. The question was,

15 "Well, I could quite agree with you but when
16 you say you're going to minimize environmental
17 change, either human or natural, don't you
18 have to make those suggestions to Government,
19 of what it has to do because you're studying
20 it and Government doesn't seem to be doing it
21 to the same degree?"

22 Your answer: "We've had discussions with
23 Government about certain things that we should
24 be doing, the prime one I get back to
25 again is the manpower delivery system and
26 that will go forward and we expect that others

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1 will go forward too, through consultation be-
2 tween ourselves and the appropriate agencies
3 and we, as I said before, can't say it enough
4 really, that we are prepared to co-operate
5 fully towards being sure that the project's
6 in place that will minimize -- I use the term
7 again, will minimize the detrimental impacts."

8 Now, you're talking there about
9 manpower delivery?

10 A Yes.

11 Q Are you talking about
12 something other than the Nortran Program?

13 A Yes.

14 Q And what is that?

15 A Well, the Nortran Program
16 is a program that is designed for the O & M phase; the Man-
17 power Delivery System is as we see it, would be predominantly
18 directed toward the construction phase, although it is
19 possible that it could be utilized as part of the O & M
20 phase. The Manpower Delivery System is -- I think we
21 presented some evidence on that --

22 Q On page --

23 A It is Page 16 of our
24 evidence and we have had discussions with Canada Man-
25 power and we have had discussions with a representative of
26 the Government of Yukon and it was intended that we would

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1 have discussions with Union and Contractor representatives
2 in the early part of this month but because of labour/con-
3 tractor -- labour negotiations between the contractor and
4 the unions, we weren't able to have that, but on Page 16,
5 we have set out of our evidence, what we think this Manpower
6 Delivery System should do.

7 Q Yes, I have that and you've
8 had these discussions with Manpower and with the Yukon
9 Territorial Government as you said as well in your cross-
10 examination by Mr. Horton --

11 A Yes.

12 Q -- and have these dis-
13 cussions, because of the absence of the unions and contrac-
14 tors not gotten to a stage where you've been able to get a
15 basic agreement from all parties concerned?

16 A Well, we, unfortunately,
17 have not had the opportunity to have the discussions with
18 the contractors and union representatives but we -- there
19 was an arrangement made for a meeting to have these dis-
20 cussions and of course, as I said before, it didn't material-
21 ize because of other negotiations.

22 Certainly, the contractors and the
23 union people have indicated to us that they see the need for
24 such a system and are prepared to sit down and work toward
25 the development of an -- as we refer to -- as an efficient
26 Manpower Delivery System, so it -- we're in the preliminary

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1 stages, there is no doubt about that, and it is an ongoing
2 thing but we see at this point in time, no difficulty in
3 developing a structure which would satisfy what we're
4 proposing it should satisfy.

5 Q And would that be a
6 delivery system that would not require people to leave their
7 home communities to apply for and obtain a job on the
8 pipeline?

9 A That they would not have
10 to leave their communities, yes, that is right.

11 Q So they wouldn't have to
12 come to a central location and wait around a hiring hall?

13 A Correct, yes. That's one
14 of the things that we point out here.

15 Q What about the problem
16 with the forty-eight hour dispatch that is usually customary
17 on projects of this nature?

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1 A Well, I think that would have
2 to be a matter that would have to be taken into consideration
3 in setting up this delivery system. We don't say that we have
4 all the matters lined out in this particular system, but cer-
5 tainly we feel that that particular point that, as I said here,
6 "as much as a delivery system function is practical, it should
7 be carried out in the communities, thus allowing Yukoners to
8 remain in their home communities as long as possible", is a
9 very important one and one that would be, as we see it, includ-
10 ed in this delivery system and I wouldn't expect that that
11 would be a difficult thing to include.

12 Q Now, the unions won't object
13 to that as much as the contractors, I suggest to you. They
14 want the man yesterday, as I understand, rather than two or
15 three days from the time that they ask for him.

16 MR. DEYELL: Well, once a pipeline
17 spread gets in place, the bulk of that manpower that are on
18 that spread will be stable and I wouldn't see any problem with
19 the 48 hours for the replacement personnel that would be sought
20 after a construction spread starts to work.

21 Q Would you see any problem
22 with a longer period than 48 hours?

23 A Yes, that could create some
24 difficulty, of course depending upon how large the turn-over
25 is. If it's a relatively small number of people you're talking
26 about, say, let's say a dozen. If you had a dozen that was

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1 turning over, I don't think that would be significant because
2 there are always enough extra people on a spread that a dozen
3 here or there really doesn't make that much difference to the
4 progress of the job.

5 Q Depending on whether they're
6 in one of the critical occupations or not.

7 A Well, that's right, but there
8 are very few operations that don't have multiple numbers of
9 specialists/ in them. I don't, I really can't think of any particular
10 vocation on a pipeline spread that there would be only one or
11 two in it.

12 Q Now, Mr. Burrell, this one
13 is directed to you with regard to this system. If a person
14 was to be dispatched from his home community, would it require
15 that he could obtain either public transportation or have his
16 own transportation to get to where the job was?

17 MR. BURRELL: As far as the local
18 residents are concerned, we have said that we would be prepar-
19 ed to make parking space available for vehicles belonging to
20 the local residents if they in fact wish to bring them and go
21 home, but certainly we are not making parking space available
22 for people coming in from the outside and certainly they
23 could catch the public transportation to come to the job, too.

24 Q A local person, by that you
25 mean a Yukoner?

26 A Yes.

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1 Q --as it may be defined.

2 A Yes, a local resident.

3 Q Yes.. That still doesn't
4 solve my problem within the Yukon Territory itself. If a
5 person is in a small village along the Alaska Highway and wants
6 a job and doesn't have his own car and can't get there within
7 48 hours, as I see it now, he doesn't get the job, unless he
8 can get on a bus that can get him there in time.

9 A I don't see why that wouldn't
10 work, why he couldn't get on a bus and come to the job. We've
11 had discussions with the union people and contractors associa-
12 tion about the 48 inch hour -- 40 hour --

13 Q It's all in 48.

14 A Everything is in 48 these
15 days, right.

16 MR. DEYELL: Mr. Bayly if you're
17 referring to one or two people such as you just mentioned, I
18 would see no particular reason why anyone would tie that to
19 48 hours. There's almost always a few positions vacant on a
20 pipeline spread and I'm sure that whether a person turns up in
21 48 hours or even in a week, really wouldn't be all that signi-
22 ficant and I'm quite sure if there is any local people who come
23 to the, say, the spread office and want to go to work, they'd
24 be put to work, even if it's a week or ten days after the call
25 went out to get them.

26 Q I understand that, although

1 if a man is a welder and shows up and the only job is a truck
2 driver, and you put out a call for a welder and he arrives late
3 he gets a different job from the one he's expecting.

4 A Well, you picked a very poor
5 example --

6 Q I don't mean a pipeline weld-
7 er, but perhaps an equipment welder.

8 A The pipeline welders are
9 really, for that matter --

10 Q I realize - I don't want to
11 get into that red herring, I've been there before, but there
12 are welding jobs on a pipeline spread, as I've discovered, that
13 may involve much expertise, welding dozer blades back together
14 and this sort of thing.

15 A Well, I believe that, if I
16 could speak for any of the training groups that will surface
17 here with respect to providing personnel for a construction
18 spread, that they'd be only too happy to have a welder who
19 doesn't necessarily have the pipeline skills and it won't
20 take them all that long to convert that welder into one that's
21 capable of welding on a pipeline spread, so, again I say you
22 picked the wrong example. There are perhaps others, but there
23 are so many jobs for the skilled trades, that I really don't
24 think that's going to be a problem. If somebody comes along
25 and they've got a skill, they're going to be put to work. I'm
26 talking of course of local. We're discouraging people from

1 elsewhere to come, but the local people have the skills, I'm
2 positive they'll have a job.

3 Q Now, have you examined, Mr.
4 Burrell, the possibility of group hire, in the sense that a
5 community might want to fill a number of jobs, but might want
6 to fill them from a larger labour pool.

7 MR. BURRELL: A rotational program, is that
8 what you're referring to?

9 Q Particularly in a community
10 that may have other things on the go, such as subsistence ac-
11 tivities.

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1 MR. BURRELL: Yes, we see that as being
2 workable. Perhaps Mr. Deyell would want to comment on any
3 experience he has had in that regard.

4 MR. DEYELL: Well, we haven't had any
5 experience with this other than the clearing and grubbing
6 operation of a pipeline construction job. We have had
7 some experience in Alberta with that. It is not particularly
8 satisfactory. Now the jobs that I am referring to are jobs
9 that were conducted last winter, and we had a native company
10 called Chinchaga and I'm not sure what the rest of it
11 is, but the prime name is Chinchaga. It is a wholly
12 owned and staffed Indian destruction company. Their expertise
13 is in clearing and will go on into the building of roads
14 and so on.

15 They had considerable trouble among
16 their own group trying to staff the job and, of course, that
17 was their problem, but it wasn't particularly satisfactory
18 from a point of view of the contractor that was building
19 the pipeline behind. There were several cases where we
20 had to come in and bolster the forces in order to get that
21 job out in front again, and I must say though, that as time
22 went on, it got better.

23 Now, I don't know what it was in the
24 Indian group that created a better situation, we didn't
25 look into it that far, but as time went on it did improve.
26 I heard, which I can't really back this up, but I heard it

1 was because in the final analysis they started getting the
2 group from one band -- when they first started out they had
3 Indians from a number of bands and it didn't seem to work.
4 Whether it was a rivalry between the bands, I don't really
5 know, but once they start switching to getting the group
6 entirely from one band it seemed to work a lot better. They
7 did rotate their people within that group.

8 Q So they would supply a certain
9 number of workers, but not always the same workers?

10 A Yes, that's right. We didn't
11 have any numbers of people for them to supply, we had a
12 rate of progress that we wished to get from them in order
13 to keep the clearing out in front of the main line contractor.
14 As long as they were maintaining that rate of progress, we
15 had no problem.

16 But we have had no experience, other
17 than that with that group.

18 MR. BURRELL: Mr. Bayly, I think Mr.
19 Saker has something to comment on that from his experience.

20 MR. SAKER: Mr. Bayly, I'm sorry Mr.
21 Littledale is not here to comment further on it, but Westcoast
22 had a program, granted on a small scale, on the Pointed Mountain
23 gas line from Beaver River to Pointed Mountain, and we, as
24 I recall, we rotated several local labourers that were
25 brought in by the Department of Indian Affairs, I believe,
26 to Pointed Mountain and taken out when they wanted to go out

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1 and replaced by other labourers. But it wasn't primarily in
2 the clearing that we had these. These labourers that we used
3 on the pipeline as labourers. It worked out very well.

4 I'm repeating myself again. It was
5 on a smaller scale, but quite successful.

6 Q Just before I leave this
7 question of manpower delivery, I just want to clarify, Mr.
8 Burrell, you have said that in fact Nortran is not negotiating
9 the manpower delivery system on behalf of the industry,
10 including your company and Arctic Gas?

11 MR. BURRELL: They are a party to the
12 discussions. I know that they are having discussions over
13 in the N.W.T. on behalf of the sponsor companies of Nortran.
14 They will be involved with these discussions among Canada
15 Manpower, Yukon Government, ourselves, the contractors and
16 the unions, so they will be involved.

17 Q Yes, but you are saying that
18 they aren't negotiating this on your behalf?

19 A They are a party to the
20 discussion, yes.

21 Q Right. Who are the parties
22 to the discussions then?

23 A Well, there's the Canada
24 Manpower, the Government of Yukon representatives, Nortran,
25 there will be contractors and unions representatives involved,
26 and there will be ourselves, Foothills.

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1 Q Those are all the questions
2 I have. Thank you gentlemen.

3 MR. GOUDGE: I wonder Mr. Chairman and
4 Members of the Board if we might ask if there are one or two
5 representatives who have indicated they have one or two
6 questions, if we could particularly limit them to Mr. Miller
7 since I know the Board -- I think it might be appropriate if
8 today we wound up before too long, given that there is a
9 sitting this evening.

10 So let me ask or call on one or two
11 representatives who have indicated that they have one or
12 two questions and ask them particularly to direct them to
13 Mr. Miller if that is relevant.

14 Ms McPherson indicated she had one or
15 two additional questions for the Association of Social
16 Workers.

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1 MR. MILLER: Mr. Chairman, I wonder
2 if while Ms McPherson is getting her questions, I wonder if
3 I might respond just for the record to one of Mr. Bayly's
4 questions. He enquired as to the cost of land as shown on
5 Volume 2-D-2.1, which is the 42-inch pipeline. The numbers
6 that I have used I took from Volume 9A-16.11, which is for
7 the 48-inch pipeline.

8 MR. CHAIRMAN: Thank you Mr. Miller,
9 but I don't see Mr. Bayly at the moment, but I think he will see
10 the reference in the transcript when he obtains one.

11 Ms McPherson?

12 CROSS-EXAMINATION BY MS MCPHERSON:

13 MS MCPHERSON: Yes, I have just one
14 general question to begin with, more or less for clarification.

15 This is the Foothills Socio-economic
16 Panel, is it not?

17 MR. BURRELL: It is one of the Panel's
18 that we are proposing to put forward, yes.

19 Q But you are dealing with socio-
20 economic matters?

21 A Yes, we're dealing with those
22 matters that we identified as part of the introduction to
23 the section that I discussed.

24 Q Yes, and is there a Sociologist
25 on this Panel?

26 A No, there is not.

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1 Q Is there an economist on this
2 panel?

3 MR. MILLER: Not in a true sense, an
4 economist.

5 Q Fine, okay.

6 Mr. Miller, I have one area that I
7 would like to pursue with you and that deals with the
8 welfare costs. I believe the last time you explained to
9 me how you arrived at the 7 per cent increase, I wonder if
10 we could go through that once again?

11 A I'm sorry, I think I said the
12 last time we were discussing this, that I used the numbers
13 out of the socio-economic statement, which was based on a
14 population increase as projected in the socio-economic
15 statement. One might reasonably expect a 7 per cent case
16 load increase.

17 Q Yes, that's the normal increase
18 that one might expect looking at case loads in the past number
19 of years through the department. Is that right?

20 A Related to the present popula-
21 tion of the Yukon, that is correct.

22 Q Yes, that is right. And I
23 believe Mr. Ellwood made an addition to that saying that over
24 and above that increase there would be a 7 per cent directly
25 attributable to pipeline activity.

26 A It's possible that that is what

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1 he said, I don't recall verbatim his remarks.

2 Q So then, you've got a 7.2 per cent
3 increase and a 7 per cent increase. I understand how you
4 get the increase looking at increases in case loads and
5 populations, I wonder if you could go into the 7 per cent
6 increase?

7 A Well, I can't go into it in
8 any great detail, because I didn't do the initial socio-
9 economic study.

10 Q It doesn't really appear to be
11 related to that, Mr. Miller. You are telling me that there is
12 an annual average increase and I have worked that out, and
13 that is fine. That's based on the --

14 A I didn't say there was an
15 average annual increase. I said there is a case load per
16 population, which has been up and down.

17 Q Okay, perhaps to clarify this
18 then, I can read from the transcript page 335, Volume II.

19 A Go ahead.

20 Q Okay, Mr. Ellwood is saying:
21 "I think I have to correct Merve there, the 7 per cent
22 is over and above what they have predicted for the
23 normal population growth of this area. By normal I
24 mean, you know, without the application. This is
25 their base, and they have predicted a 7 per cent
26 increase over that resulting from the population

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1 increase from pipeline."

2 A Okay.

3 Q So, we're dealing with two
4 increases, and I want to know how you arrived at the increase
5 directly attributed to pipeline activity?

6 A Well, as I indicated in my
7 statement, I say it has been estimated that 7 per cent
8 increase in case loads could be attributable to the
9 population increase resulting from a pipeline. Which I
10 believe is what the socio-economic statement said. I also
11 went on to say as case load figures seldom provide sufficient
12 base line data, I have reviewed the staff complement of
13 this branch and assume that increased staff will be
14 necessary in three locations. So I have ignored the case
15 load data.

16 Q Yes, I am aware of that,
17 it is the 7 per cent I'm concerned with. It seems to be
18 an arbitrary figure. How did you arrive at 7 per cent?

19 A I didn't arrive at it, I'm
20 quoting it from the socio-economic statement.

21 Q Perhaps Mr. Burrell, in Mr.
22 Ellwood's absence you could explain where this 7 per cent
23 came from?

24 MR. BURRELL: I'm just looking for a
25 page reference here.

26 Q Five A, 5-16 should give you
that figure.

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1 MR. MILLER: I think based on the
2 statement in the socio-economic statement as you've indicated
3 in 516, the consultants who did this report have used the
4 two factors; one, normal population increase, and two, a
5 population increase that may be expected from pipeline
6 activity so it is a compounded 7.2 plus 7 per cent.

7 Q But, that still doesn't
8 tell me where the 7 per cent comes from. I could say 50
9 per cent may come from.

10 MR. BURRELL: Well, that number
11 -- I'm sorry, go ahead.

12 MR. MILLER: It would be related
13 to the population numbers that they expect to develop as a
14 result -- a direct result of pipeline activity.

15 Q The in-migration studies?

16 A I think if you go back to
17 their discussion on population, they indicate on 5.7,
18 "We anticipate a population increase of 1,380 as
19 a result of the construction of the pipeline
20 approach."

21 Q Is this the final figure?
22 I understood that you had a Panel that was going to be
23 addressing in-migration?

24 MR. BURRELL: That is correct. We are
25 -- there will be a Panel coming on later to discuss the
26 population and in-migration situation.

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1 Q So those figures will
2 likely change?

3 A Well, they may. It is
4 hard to say I think, right now, but certainly as I said
5 before, there will be a Panel come on to address those par-
6 ticular topics in detail.

7 Q I'm afraid that still
8 doesn't understand where the 7 per cent comes from.

9 A It actually -- it came
10 from the consultants who prepared this document. All I can
11 do at this point in time is undertake to get an explanation
12 of how the 7 per cent was arrived at and I'd be pleased to
13 do that.

14 Q Okay, I'd be very interested
15 in hearing the results of that.

16 A Fine.

17 Q Then, based on a forecast
18 of additional needs as you have outlined, you have identified
19 three additional social workers that you are saying would be
20 needed for the Department?

21 MR. MILLER: That is my estimate, yes.

22 Q Could you tell me what
23 an optimum caseload would be for one of those social
24 workers?

25 A I can't tell you what an
26 optimum is. I can tell you that caseloads are not uncommon

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1 in the two hundred range -- two hundred per worker.

2 Q Perhaps I can suggest to
3 you that a caseload of seventy would be an average caseload?

4 A An average caseload now
5 being carried?

6 Q " No, an optimum average
7 caseload. Would you agree with that?

8 A I couldn't comment on
9 that. I can only comment on what I know has happened here
10 in the Yukon.

11 Q A caseload then of two
12 hundred you would feel would be an average case being
13 carried at present?

14 A I'm suggesting that it
15 has been that high.

16 Q You didn't really answer
17 the question, sir. I was asking you if that is the number
18 of the current caseloads.

19 A The present caseload --
20 I'm sorry --

21 Q Yes.

22 A I can't give you the
23 present caseloads, no.

24 Q Okay. Looking then at
25 -- let's take the 7 per cent for now. I'm not at all happy
26 with that percentage but using that, taking a 7 per cent plus

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1 a 7.2 per cent increase, we would then be looking at perhaps
2 approximately 14 per cent of a caseload.

3 Now, if you figure that out from
4 for instance, the '74, '75 total caseloads statistics, which was
5 2,749, that would give you -- looking at three hundred and
6 eight-four, approximately somewhere in there?

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1 So you then would be expecting each of those social workers
2 to carry a caseload of approximately 128. Would that be ap-
3 proximately accurate?

4 A That sounds reasonable, yes.

5 Q Have you consulted with the
6 Director of the Department of Social Welfare concerning this
7 and the efficiency of that type of caseload?

8 A Not with the present Director,
9 no.

10 Q In looking at increased
11 expenditures for the Social Welfare department, I wonder which
12 of the research documents from the Alyeska material you took
13 into consideration?

14 A I didn't take any of them
15 directly into consideration. I looked at those areas where I
16 felt there might be a deficiency in social workers now and
17 assumed that if there was a population increase it would be in
18 those communities and that they would then justify a social
19 worker.

20 Q So you have not considered
21 any of the material available on the impact to social services
22 in the Alyeska situation?

23 A I don't think the Alyeska
24 situation in this case is relevant.

25 Q Mr. Burrell, you indicated
26 earlier that you felt the Alyeska material was important

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1 background to this. I wonder if you would have any comment
2 on using that information for looking at the impact on Yukon
3 social services?

4 MR. BURRELL: Yes, I think you have
5 to look at all the information that's available and then, hav-
6 ing taken that you have to look at the situation as it exists
7 now. Mr. Miller might then comment, with that general state-
8 ment, might comment on a comparison of the social services
9 offered in Alaska as opposed to what they are here

10 MR. MILLER: I think there's a whole
11 world of difference between the social services available in
12 Canada, as compared to the U.S. The whole Canadian social
13 structure of government looking after those who won't look after
14 themselves is quite a different concept than in the U.S., where
15 if you don't work you don't eat, basically.

16 Q What I'm trying to establish
17 here basically is the use of that material and perhaps if I
18 can read to you a few lines here that would indicate that many
19 of the same, similar types of cases. This is looking at a
20 document coming from the Impact Center. Impact Information
21 Center, Report Number 8, page 9, Fairbanks Center: "The num-
22 ber of cases in which protective services by the division of
23 Children and Family Services Regional Office in Fairbanks have
24 been required to deal with severe neglect or abuse of young
25 children has nearly tripled in the past year and the total
26 number of child welfare cases has risen by 84.5 per cent."

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1 Can you tell me then how that would not apply to our situation
2 here?

3 A Well, I don't know how it
4 can apply-- I can't answer your question.

5 Q I'm sorry, I asked you
6 why it wouldn't.

7 A Well, I can't answer your
8 question directly but I would refer you, Ms McPherson, to the
9 history of the Yukon, where approximately four years ago, the
10 Department of Welfare put social workers into Ross River and
11 Mayo for the first time and caseloads increased by 30 per cent,
12 as a direct result of putting social workers in. Now--

13 Q I'm not talking about
14 additional staff, I'm talking about the same staff and the
15 impact of a new project. I think there's an extreme difference.

16 A My point is this, that there
17 are many, many social problems that we all know
18 about and if you have the staff you often, they come to your
19 attention and you deal with it. If you don't have the staff,
20 they don't come to your attention, you don't deal with it.

21 So statistically, and this is why I didn't look at statis-
22 tics in basing my calculations, I don't think they're entirely
23 valid. Caseload figures are not entirely valid either.

24 Q Sir, that's not at all rele-
25 vant to what I was asking you.

26 MR BURRELL: Could I add something

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1 here? The document which you referred to, plus other docu-
2 ments, were utilized by the people who prepared this soci-
3 economic statement and were factors utilized in developing the
4 contents of the statement and I would assume the seven per
5 cent that you were referring to earlier. Now,
6 I think what you're saying here is perhaps the Alaska situation
7 hasn't been considered fully enough, but my response to that,
8 of course, is that the information that was available from the
9 Alyeska situation was utilized in in-put in the preparation of
10 this socio-economic statement and perhaps the explanation that

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1
2 is provided in response to the 7 per cent may provide the
3 answer that you are looking for.

4 Q Mr. Miller, you indicated
5 to me that you did not feel that there would be any increase
6 in the corrections project or any necessities for additional
7 probation officers, that type of personnel. Is that correct?

8 MR. MILLER: That's correct.

9 Q If we can look at -- again
10 some information from Alaska which indicates that in juvenile
11 arrests, the greatest increase was approximately 11 to 12
12 year old age group, which represented an increase of 154.5
13 percent. Do you not feel, again, that there will be any
14 increase in juvenile crime in the Yukon?

15 A I wouldn't suggest that
16 there would be no increase. There's undoubtedly going to be
17 some increase in crime, whether it's a result of pipeline
18 activity, or the result of the other factors that are going
19 on in the Yukon at that time. I wouldn't be prepared to
20 guess.

21 Q Yet, the figures that you
22 have produced do not reflect any additional costs in that
23 area.

24 A I'm sorry. The reason
25 I didn't project any additional costs, is tha the juvenile
26 training home, as I recall it, has a capacity of about 30

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1 and they are presently handling -- or they had been handling
2 something in the neighbourhood of 12 to 15.

3 Q I wasn't referring to the
4 juvenile training home. I was referring to probation officers
5 and related staff.

6 A I'm sorry. In the pro-
7 bation field, so much depends upon the attitude of the court
8 at the time, whether they put them on probation or put them
9 in a home, it depends upon the in-migration or the number
10 of people coming in the Yukon. There are so many factors
11 involved in determining whether you need additional probation
12 officers.

13 Q Would you say, then, perhaps
14 that your figures -- your forecasting figures, may not be
15 complete or accurate?

16 A There's no doubt in my mind
17 that I'm going to be inaccurate in a number of cases, based
18 on the information that was available to me, and based on my
19 own assessment of the thing, which is the best estimate that
20 I can come up with.

21 Q Thank you. I have no
22 further questions.

23 MR. GOUDGE: Lastly, sir,
24 Mr. Taves indicates he has just one or two questions for Mr.
25 Miller.

26 CROSS EXAMINATION BY MR. TAVES:

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1 MR. CHAIRMAN: Mr. Taves.

2 MR. TAVES: I would like one further
3 question dealing with your opinion that there will be no
4 measurable effect on the increased cost of maintenance of
5 highways during this pipeline proposal. The evidence we
6 heard earlier this week ^{was} to the effect that the State of
7 Alaska had estimated it would cost them \$400,00 for increased
8 maintenance of the highways, but they miscalculated, and in
9 fact, it cost them \$118 million. I'm wondering, sir, if you
10 would agree with me that a mistake of the same magnitude
11 might be made in the Yukon.

12 MR. HUDSON: Mr. Chairman, I think
13 that Mr. Taves should quote the evidence accurately
14 from Valdez to Livingood, and you may recall my discussion
15 with Dr. England, in which he didn't know whether the
16 118 million reflected the maintenance cost for the whole of the
17 State of Alaska. So that Mr. Taves should say that the 400
18 thousand was from Valdez to Livingood, I submit.

19 MR. TAVES: That's correct. Mr.
20 Chairman, I apologize for omitting that. My question remains,
21 Mr. Miller, is it possible that you could have made -- or that
22 that you might have made an error, and in fact, there may be
23 an increase in maintenance costs?

24 MR. MILLER: Yes, Mr. Taves, there may
25 be in fact additional maintenance costs. I wouldn't, again,
26 deny the possibility that that could happen. For example,

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1 if it rains for nine months while they are hauling pipe,
2 we're going to have increased maintenance costs. But, if
3 we get a normal summer where it's dry and the road is in good
4 shape, we're not going to have any.

5 Q You also stated, Mr. Miller
6 that -- in your evidence you stated that Yukoners would not,
7 in your opinion, trade permanent jobs for temporary jobs on
8 the pipeline. On page 24 and 25 of your prepared evidence,
9 you stated you suspected there would be little overall impact
10 because the majority of Yukoners are unlikely to trade
11 a permanent job for an established future job. We also heard
12 evidence earlier this week that, in fact, the exact opposite
13 happened in Alaska and Alaskans traded in permanent jobs by
14 the droves for temporary jobs. I'm wondering if you can
15 provide me with a basis for your opinion.

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1 A Just my personal knowledge
2 view on it, of which I consider myself to be one.

3 Q You have not statistical
4 data?

5 A There are no statistics
6 available.

7 Q On Page 22 of your pre-
8 pared evidence under the heading 'Demand for Goods and
9 Services', you deal with tonnage of pipe expected to be
10 handled by dedicated transport equipment and by common
11 carriers. You state that approximately 173,000 tons will
12 be handled by common carriers and further on in that para-
13 graph, you state that the existing transportation industry,
14 which I presume is the common carriers, presently handles
15 288,000 inbound tons.

16 You then further on, state that
17 this will not have a great effect, in your opinion, on
18 transportation. Now, perhaps you could explain to me -- it
19 appears to me that 173,000 tons is an increase by more than
20 half of 288,000 tons. Dr. England stated in his evidence
21 earlier, that he could not give an opinion on that because
22 the figures from the Transportation Department are un-
23 available.

24 I'm wondering on what basis you
25 form your conclusion?

26 A These numbers were extracted

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1 from a study that was carried out -- if my memory serves
2 me correctly -- about a year ago, eighteen months ago. The
3 -- I realize that the 173,000 tons represents more than
4 half of the present inbound tonnage, but the combined total
5 doesn't even approach the outbound tonnage.

6 Q " I'm not quite sure I
7 follow you.

8 A Well, if you move 600,000
9 tons out of the Yukon and only move 288 in, it seems to me
10 that there is lots of capacity for inbound tonnage.

11 Q Oh, I see, so it is your
12 opinion that based on those figures, that the local trans-
13 portation system has the facility to move in the extra
14 173,000 tons?

15 A That is correct.

16 Q I have no further questions
17 for Mr. Miller.

18 CROSS-EXAMINATION BY MR. GOUDGE:

19 Q I've got a couple of
20 questions, Mr. Miller, I can't resist the temptation of
21 suggesting that in following up Mr. Taves' questions about
22 the propensity of Yukoners to leave their current field of
23 endeavour and engage in pipeline work but perhaps you've
24 done that to some degree already.

25 MR. MILLER: I left my employment
26 with the Government for other reasons.

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1 Q Yes, I'm sorry -- I was
2 just -- turning to Page 17 of your evidence, Mr. Miller,
3 do I understand this table to show the gross revenue of
4 the Government of Yukon and showing it that roughly 90
5 Million dollars a year, is that correct?

6 A That is the current --
7 present total income of the Government, yes.

8 Q And do you have any idea
9 of the magnitude of funds spent in the territory by the
10 Federal Government?

11 A Something in the neighbour-
12 hood of -- and I'm guessing here now -- about 120 Million.

13 Q Yes, and on your figures
14 I think at Page 15 of your evidence, it shows a rough net
15 effect of the pipeline in roughly 1983 of 4 Million dollars
16 per year, is that correct?

17 A That is correct.

18 Q So we are talking about
19 a net addition to the Government of Yukon's funds of roughly
20 5 per cent per year?

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1 A I wouldn't put it in quite
2 that terms, I would suggest 5 per cent of their total
3 spending, yes.

4 In other words, what I would suggest
5 is if they get an extra \$4 million because of a pipeline,
6 they get \$4 million less from Ottawa.

7 Q I see.

8 A That is the custom.

9 Q It has been the practice in
10 the past I take it?

11 A For a number of years.

12 Q I wonder whether you've
13 given any thought to additional sources of revenue that
14 might be generated for the Government of Yukon by the
15 passage of the pipeline through the Territory. You're
16 relying I take in your figures on existing Ordinances only.
17 Is that right?

18 A That is correct.

19 Q Isn't it possible that there
20 might indeed be additional revenue generated for Government
21 of Yukon, some kind of throughput tax, for example?

22 A Well, throughput tax, as I
23 understand it, there is no Government in Canada imposes a
24 throughput tax. That isn't to say that it is not legally
25 possible to do so. If I was sitting on the other side in
26 the Government's shoes, I could think of all sorts of

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1 additional revenues.

2 Q In your experience, when you
3 were with Government here in the Government of the Yukon,
4 I'm interested to know whether there had ever been any
5 thinking done as to the correlation of government spending
6 with the achievement of a rather more self-sufficient
7 political status for the Government of Yukon?

8 A Yes, there was a lot of
9 thinking done on that.

10 Q What kind of figures are we
11 talking about? What kind of income has to be generated for
12 the Territory before, in your view, considerably more self-
13 sufficiency or political independence is possible?

14 A Well, if I could put it to you
15 this way, sir, that up until approximately 18 months ago, it
16 has always been the understanding of most Yukoners that
17 when the Yukon was able to be self-sufficient in it's
18 operation and maintenance expenditures, that the Government
19 of Canada might come across and give them a little more
20 autonomy.

21 Since that period of time, there has
22 been a change in the political thinking in the country and
23 nobody now knows what the heck the Yukon has to come up with
24 to get more autonomy.

25 Q How short are you, at present,
26 from achieving the operation and maintenance self-sufficiency?

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1 A At the present time, again I'm
2 going by memory, but it would seem to me in 1977/78 we're
3 talking about \$11 or \$12 million.

4 Q Thank you. Those are all the
5 questions I have, sir.

6 MR. CHAIRMAN: Mr. Phelps has a
7 question or two?

8 MR. PHELPS: I didn't get your last
9 answer, Mr. Miller. Was that \$11 or \$12 million?

10 MR. MILLER: \$11 or \$12 million, that's
11 correct.

12 MR. PHELPS: I wonder if you could
13 quickly go through your calculations on the revenue that
14 would be generated under the Taxation Ordinance.

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In the case of land, I've used the 1976 costs as projected by Foothills and I've used 50 per cent

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1 as the assessment base.

2 MR. PHELPS: Thank you. The assessment
3 rate, under regulation, that could be varied, I take it, by
4 Commissioner and Council?

5 A It can be varied by the
6 Commissioner.

7 MR. PHELPS: By the Commissioner only?

8 A Yes.

9 MR. PHELPS: And is there a rate applied
10 to any existing pipeline under that regulation?

11 A Yes, it is. In the - there's
12 a pipeline in the southern part of the Yukon, the Westcoast
13 Transmission system, approximately 60 miles, I think, in the
14 Yukon.

15 MR. PHELPS: I see and the same schedule
16 was used.

17 A The same schedule was used,
18 yes.

19 MR. PHELPS: Have you compared that sched-
20 ule with, say, that of Alberta or of B.C.?

21 A Yes, it was done while I
22 was still in Government, particularly with Alberta and the
23 Northwest Territories and the Yukon figures are considerably
24 higher than either place.

25 MR. PHELPS: They are considerably higher?

26 A Considerably higher.

1 MR. PHELPS: And that is right through to
2 the large diameter pipe?

3 A Yes, sir.

4 MR. PHELPS: Is it the practice anywhere
5 else that you charge any kind of property tax on the right-of-
6 way easement?

7 A Not normally on the right-of-
8 way easement, only on titled land.

9 MR. PHELPS: So that it's safe to assume
10 that neither Alberta nor B.C. charges any kind of taxation for
11 the use of the right-of-way per se, the 120 foot right-of-way?

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1 A I'm sorry, I really can't
2 comment on that. My analysis of the situation was that you
3 could tax it in the Yukon, if you so desire, but we're
4 talking about so little value. As I recall the numbers, and
5 I have them somewhere here. The total acreage involved in
6 the right-of-way is so small, and if you assume the standard
7 assumption in the Yukon of \$25.00 an acre for assessment
8 purposes, the dollars that would come out the end would be
9 so insignificant, you'd hardly see it.

10 MR. DEYELL: I could answer that
11 insofar as Alberta is concerned, we are taxed on the pipe,
12 on the land which we own, and the structures that are upon
13 it, but we are not taxed on the actual easement itself.

14 MR. PHELPS: I see, this figure of
15 \$25.00 per acre, that's the assessment used in the Yukon now?

16 MR. MILLER: For undeveloped land, it
17 is about that. It varies slightly depending upon where it
18 is. It is pretty cheap land, it's all Federal.

19 MR. PHELPS: The assessment rate on
20 pipeline, that is constant is it? It doesn't depreciate?
21 The pipe doesn't depreciate?

22 A No, the pipe doesn't depreciate,
23 it remains constant.

24 MR. PHELPS: Is there some kind of
25 payment made by a pipeline company for the easement to any
26 of the governments?

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1 A Yes, and in this case there is
2 an estimate included in the Foothills calculations for an
3 annual lease fee, if you like.

4 MR. PHELPS: I see, and that's payable
5 to the Federal?

6 A It would be payable to whoever
7 held the title to the land, and in this case, I would
8 assume the majority went to the Federal Government.

9 MR. PHELPS: And do you have that
10 figure at your fingertips?

11 A I think if you give me just
12 a moment I could find it for you.

13 MR. DEYELL: There is no annual
14 payment to the Provincial Government of Alberta for easement.
15 That is a one shot payment. It is paid to the Province of
16 Alberta insofar as the Indian Reserves are concerned, I believe
17 there is a periodic payment to the Reserves for crossing
18 them. I believe it is every five years, but I could stand
19 to be corrected on that.

20 MR. PHELPS: That payment to Reserves,
21 does that mean to the Government of Canada, or to the Band?

22 A No, it's made directly to the
23 Band. Yes, I believe I'm correct in that. Several of them
24 by the way are also collecting their own municipal taxes.

25 MR. PHELPS: Several of the bands are?

26 A Yes, they are.

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1 MR. PHELPS: And they collect some
2 from pipeline?

3 A They certainly do, yes. From
4 our Company anyway.

5 MR. PHELPS: Well perhaps, Mr. Miller,
6 you could provide us with those figures later.

7 MR. MILLER: Yes, I'll see if I can
8 find them.

9 MR. PHELPS: It is a matter of interest
10 to me.

11 I only have one other question. I
12 guess you're not the right person to ask it, but I'll ask
13 it at this time.

14 There were questions earlier by Mr.
15 Horton with respect to gas supplied to the Yukon out of
16 this pipeline. My understanding from the questions and
17 answers was as follows: That we could theoretically reach
18 a situation for the Canadian supply of gas in Canada ran out,
19 yet gas supplied through the 48-inch line through the Territory
20 would still be forthcoming in going through Canada to the
21 U.S. so that, my understanding is that if the Canadian supply
22 was exhausted, we would be faced with a situation where there
23 would be gas going through the line in Yukon, yet we would
24 not be able to tap any here.

25 Is that -- am I correct in this?

26 MR. BURRELL: The proposal that we

1 put forward, of course, is an exchange arrangement, whereby
2 Alberta Gas would be deemed to be used in the Yukon.

3 If the supplier, Canadian Gas, did
4 run out, and I guess what you're saying is a possibility,
5 that would be a long way down the road, according to our
6 estimates, if we were reaching that sort of situation, I
7 could see where there may be some arrangement made with the
8 U.S. to allow deliveries of gas into the Yukon, but, at this
9 point in time, I can't comment any more fully than that.

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1 MR. PHELPS: Thank you. Those are all
2 my questions.

3 MR. CHAIRMAN: Mr. Hudson, I
4 take there is nothing arising out of the questions by Mr.
5 Phelps or any of the intervors as a result of which you wish
6 to put something to Mr. Miller?"

7 MR. HUDSON: No, not --

8 MR. CHAIRMAN: Mr. Taves, did
9 I have some indication from you?

10 MR. TAVES: I'd like to pose
11 one more question, Mr. Chairman, if I may. I apologize
12 for not posing it earlier. It is a question for Mr. Miller.
13 CROSS-EXAMINATION BY MR. TAVES (Cont'd):

14 Q Mr. Miller, dealing with
15 the tonnage and common carriers that we were referring to
16 previously, how much of the 600,000 outbound tons per annum
17 would be represented by the ore cars or the Whitepass Rail-
18 way?

19 MR. MILLER: I would suggest
20 the total or outbound would approximate something in the
21 neighbourhood of 400,000 tons.

22 Q Is that based on
23 statistics that you are aware of? Can you supply them?

24 A No, I'm just recalling
25 from memory. I would have to look up the statistics to
26 find the exact number and I could do that for you.

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1 Q Thank you.

2 My other question is, is any part
3 of the present inbound tonnage made up of the condensated
4 oil products pipeline from Skagway?

5 A Yes.

6 Q " Did these accordingly,
7 -- would it then be fair to say that the ore cars are not
8 suitable for hauling pipe back into the Yukon?

9 A There is no intention to
10 haul pipe on the railway at all.

11 Q Well, you refer to
12 600,000 outbound tons per annum and I gathered, stated that
13 there was accordingly, quite a large capacity of vacant
14 tonnage coming back in. If that is taken up with ore cars
15 going out which can't be used to haul pipe back in, do you
16 then have a problem with transportation facilities?

17 A No, the pipe is intended
18 to be handled by dedicated carriers.

19 Q Well, we're talking about
20 173,000 tons that are going to be handled by common carriers?

21 A Right. The railway
22 capacity is certainly adequate to handle additional tonnage
23 inbound.

24 Q Up to more than half of
25 what they presently handle?

26 A Well, it seems to me and

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1 I'm again going by memory from a railway study that was
2 done, that they're presently handling less than 50 per cent
3 of their total capacity. Again, I could bring further
4 information down.

5 Q Thank you very much.
6 That is all the questions I have
7 sir.

8 MR. GOUDGE: That would conclude
9 the day I think, sir.

10 MR. CHAIRMAN: Yes, I take it
11 Mr. Goudge, it is proposed that we commence at 10:00 o'clock
12 in the morning then and to continue with this Panel?

13 MR. GOUDGE: Yes, I think the
14 Panel would be perhaps another hour and then we could move
15 on to the Nortran Panel if that is Mr. Hudson's wish and I
16 take it sir, we are reconvening for the community hearing --
17 the first community hearing -- in Whitehorse tonight at
18 7:00 o'clock and that is here, right?

19 MR. CHAIRMAN: Yes, Mr. Goudge.
20 Yes, so we stand adjourned now until 10:00 o'clock tomorrow
21 morning.

22 (PROCEEDINGS ADJOURNED).
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